

# **Global Leadership: An Analysis of three Leadership Competency Models in Multinational Corporations**

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Abstract

At a time of rapid business globalisation when leaders are required to operate in diverse international environments, it is essential for multinational corporations to appreciate the complexities leaders face and support individuals in developing the requisite competencies. How then can leaders move from one-dimensional to cross-cultural models of global leadership to encourage more fluid and contextualised international business operations?

This thesis examines extant leadership competency models (LCMs) in three multinational companies - selected from across Europe and the US – and attempts to understand how effectively these models translate across different regions and cultures. Such examination is based on semi-structured, in-depth qualitative interviews with 38 middle management and HR leaders who work across various cultural contexts in the three corporations. The underlying thesis of the study – that national culture impacts on the implementation and interpretation of LCMs – is built into analysis that highlights the ethnocentric nature of these models. For LCMs to effectively enhance leadership in global businesses, it is argued that cultural literacy and a global mindset are fundamental to LCM development.

This study fills a gap in existing research that has rarely given systematic attention to the enactment of universal LCMs in multinational organisations. It will be the purpose of this work to judge the effectiveness of leadership competencies in a cross-cultural context, and to set the ground rules for the development of multinational LCMs in the future.

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### **III Abbreviations**

AO	Assertiveness Orientation
C1	Company 1
C2	Company 2
C3	Company 3
CAQDAS	Computer Aided Qualitative Data Analysis System
CLT	Culturally Endorsed Leadership Theory
CMC	Computer Mediated Communication
EI	Emotional Intelligence
GE	Gender Egalitarianism
GER	Germany
GLOBE	Global Leadership Organizational Effectiveness Program
HO	Humane Orientation
HR	Human Resources
IC	Institutional Collectivism
IDV	Individualism
IGC	In-Group Collectivism
ILT	Implicit Leadership Theory
LAT	Leadership, Accountability and Teamwork
LCM	Leadership Competency Model
LCM1	Leadership Competency Model 1
LCM2	Leadership Competency Model 2
LCM3	Leadership Competency Model 3
MAS	Masculinity
Mgmt.	Management
MNC	Multinational Corporation
NL	Netherlands



PD	Power Distance
PO	Performance Orientation
UA	Uncertainty Avoidance
UK	United Kingdom
US	United States of America

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Walls are crumbling among markets, organizations, and nations. People, information and capital move freely as never before. Global media, international travel, and communications have eroded distance and borders, linking us instantly to one another from Prague to Shanghai, from Lima to London. A tightly woven fabric of distant encounters and instant connections knits our diverse world together (Rosen et al. 2000 p409).

Globalization ... is all about overcoming national differences and embracing the best practices from around the world. Something more than an American, European or Asian approach to leadership is required. Needed is a global model that can be applied throughout the world, a model that transcends and integrates national schemes and becomes an essential tool for hiring, training and retaining the leaders of tomorrow (Morrison 2000 p120).

## **0.1 Introduction to chapter**

Based on interviews with 38 global leaders in three multinational corporations (MNCs) – in Germany, the US, the UK and the Netherlands – this thesis aims to test the hypothesis that national culture impacts on the development, understanding and deployment of universal leadership competencies in globalised organisations.

This introductory chapter sets out the research and provides an overview of the thesis. It begins with a description of the purpose and objectives of the research into leadership competency models (LCMs) as a universally applied instrument in MNCs, and a brief summary of the researcher's motivations and personal background. This is followed by an overview of the rationale for the thesis, the research context, and an introduction to the hypothesis and research methodology. Finally, an outline of the separate thesis chapters is provided to guide the reader.

## **0.2 Purpose and objectives of the research**

The purpose of the research was to investigate the advisability and efficacy of transferring LCMs across cultural regions in MNCs. The following definition of a LCM will serve as a touchstone throughout this thesis: "A leadership competency model comprises specific descriptions of the behaviours and personal characteristics that are required to be effective on the job" (Brownell 2006 p311). In an attempt to build corporate synergies across regions, and develop a distinct leadership brand, a significant number of MNCs today codify appropriate leadership competencies, attributes and behaviours within a LCM framework. This is the key mechanism through which organisations clearly define the leadership competencies that will, it is hoped, facilitate organisational objectives (Mansfield 1996, Hollenbeck, McCall and Silzer 2006a).

In theory, when companies decide to use LCMs, they should serve as the foundation for the organisation's leadership development system. The latter, including selection, assessment, training and coaching, performance management, and succession planning, should thus be developed around such core competencies.

To be effective, the development of workplace and managerial skills must reflect the current and projected needs of the organization. It is a critical responsibility ... to identify the core competencies of the enterprise and to ensure that the competencies required by managers, specialists and the workforce in general are adequate and appropriate (Pickett 2000 p1).

It should be remembered, however, that the range of competencies defined vary greatly between organisations depending on national and organisational culture, and that leadership competency architectures are therefore culturally contingent (McCall and Hollenbeck 2002, GLOBE 2004, Brownell 2006). Thus, if such competencies and behaviours are to resonate with leaders in MNCs they should meet three criteria: that they reflect daily leader challenges; are apposite for the leadership culture in given regions; and are reflective of the core values of the prevalent corporate culture.

This thesis investigates LCMs in three MNCs to ascertain whether they are able to meet these challenges. Having worked in cross-cultural management and leadership development in MNCs for twenty years, I have extensive experience using LCMs in leadership development programmes, and thus wanted to empirically test the presumption that such competency architectures are readily understood, are accepted as valid, and are instrumental to developing multinational leaders. This empirical test constituted interviews with leaders experienced in leading multicultural teams in MNCs, and whose performance is assessed against the competencies and behaviours detailed in their relevant LCM.

### **0.3 Personal background and rationale for the thesis**

This thesis was inspired by two decades of experience in leadership in a cross-cultural environment. Actively working in leadership coaching and development programmes in myriad global organisations - while following developments in management and leadership theory – I have been attuned to the diffuse realities of leadership across cultural regions. A certified trainer and coach, and licensed in the use of several psychometric tools and HR instruments - including 360-degree feedback tools, appraisal models and competence architecture - I have worked in over 25 MNCs with hundreds of leaders from over 50

countries - I also manage a team of 46 trainers and coaches who provide intercultural and leadership training, as well as language and communication training, to MNCs.

When attempting to help employees and leaders meet the challenges of working in a multinational environment, I have encountered many leaders who are experts in their field, but yet are ineffectual global leaders. Due in part to inadequate cross-cultural training, and also to ignorance of, or disregard for, other cultures, such leaders may excel at leading within their own culture but lack expertise in multicultural environments.

My background in leadership development and cross-cultural management has given me a broad perspective from which to analyse required competencies for leadership in a global environment. With the rapid globalisation of industry over the past 15 years, I have witnessed dramatic changes in leadership environments, have noted how leadership theories have changed and improved in response, and have contemplated a new regime of cross-cultural competencies for global leaders.

My interest in cross-cultural leadership was first aroused when viewing contrasting regional concepts of leadership. These differences were compounded by the fact that leaders were to be guided by predominantly US-centric LCMs that could not be readily transferred to other cultural regions such as Asia, Africa and the Middle East – regions that will drive the economic future of MNCs (Brownell 2006, Trompenaars and Woolliams 2007).

The dominance of US management theory in the field has been noted by the pre-eminent intercultural researcher, Geert Hofstede, among others: “In a global perspective, US management theories contain a number of idiosyncrasies not necessarily shared by management elsewhere” (Hofstede 1993 p81). Theorists and practitioners thus argue that US models, while long a driver of international management theory, are increasingly inadequate in a globalised, multinational context (Morrison 2000, Yukl 2002, Trompenaars and Woolliams 2007). According to Javidan et al., global leaders must increasingly view the world through a cross-cultural lens: “It is a truism by now that large corporations need executives with global mindsets and cross-cultural leadership abilities” (Javidan et al. 2006 p1).

My interest in exploring LCMs intersects with a profusion of studies in global leadership that have grown up with the rapid globalisation of the last two decades. Such cross-cultural management literature posits that global leadership differs vastly from leadership in a mono-cultural environment (Hofsede 1991, Yeung and Ready 1995, Trompenaars and Hamden-

Turner 1997, Black, Morrison and Gregersen 1999, Rosen et al. 2000, Morrison 2000, GLOBE 2004, Hollenbeck, McCall and Silzer 2006a). Scholars have thus attempted to define the dynamic, largely ambiguous concept of a global leader, or ‘global mindset’, and associated multinational/global/transnational leader competencies. According to House, a global leader exercises “influence across national and country boundaries” (House and Javidan 2004 p15).

Some researchers have attempted to develop a fully integrated global leadership model (Chin, Gu and Tubbs 2001), while others, such as the Global Leadership and Organizational Behavioural Effectiveness research project (GLOBE 2004), have embarked on an expansive empirical study of the level to which leadership competencies are universal or culturally contingent. Other empirical researchers have attempted to define fundamentals of global leadership, such as building and translating a shared corporate vision across regions (Kets de Vries and Florent-Treacy 1999, Ernst 2000, Goldsmith et al. 2003, Kets de Vries, Vriegnaud and Florent-Treacy 2004). Over the last twenty years, academic and business circles have paid increasing attention to the field of intercultural competence and cultural intelligence - areas which directly impact on global and multinational leadership – and this has inspired a new body of cross-cultural leadership debate (Bennett 1986, 1993a, Johnson et al. 2006, Deardorff 2004, Grisham 2006, Klenke 2008).

In attempting to create competency models to guide global leaders, scholars such as Rosen et al. have emphasised “cultural literacy” as a key competency (Rosen et al. 2000). This is partly a response to a long lineage of leadership theories that have tended to presuppose mono-cultural environments; or innate, universal leadership traits. The challenge of leading in a globalised context has thus forced researchers to posit leadership theories that incorporate situational contingency and cross-cultural literacy. As Rosen et al. write: “To be globally literate means seeing, thinking, acting, and mobilizing in culturally mindful ways. It’s the sum of the attitudes, beliefs, knowledge, skills, and behaviors needed for success in today’s multicultural, global economy” (Rosen et al. 2000 p74).

My experience in cross-cultural team facilitation has given me first-hand experience of the need for multinational leaders to create synergy around common goals, to ensure common understanding on team goals, to facilitate clarity and transparency on individual and group boundaries, as well as clarity and congruence on leadership expectations and conflict management strategies. This is reliant on an in-depth understanding of, and acumen in, managing interpersonal dynamics in cross-cultural teams.



Cross-cultural interpersonal management skills can also be understood as “boundary spanning skills” (Beechler et al. 2004b p121). The latter can be defined as a leader’s ability to create linkages across diverse, sometimes fractured organisational, and cultural, boundaries. Such skills demand broad cultural intelligence, along with relational and situational leadership acumen, meaning leaders must be able to reconcile sometimes opposing values and beliefs regarding power relations and communication context, for example, when attempting to effect cross-cultural synergies across multinational organisations.

The need for boundary scanning competence acknowledges the diverse cultural impacts on global organisations, and thus reinforces the central premise of this study: that national culture is a key organising principle directly influencing employees’ understanding of work, their approach to it, and the way in which they expect to be treated, while also conditioning their view of organisational practices and outcomes. Thus it is difficult to enshrine values, beliefs, systems and behaviours in an LCM when these are culturally subjective (Dahl 2006). Boundary spanning leaders need to be guided, therefore, by a LCM that incorporates cultural contingency – that is, to appreciate relative differences in values and beliefs across distinct cultures and communities - even when attempting to effect universal corporate goals.

My experience of LCMs in global organisations indicates that cultural contingency has not been adequately incorporated into existing models. As a result, it has been my goal to investigate why LCMs often fail to reflect the increasing internationalisation of business. This relates back to HR/management attitudes to cross-regional involvement in key strategic planning and organisational values (Den Hartog 2004 p178).

Perlmutter (1969) famously distinguished between three leadership strategies in multinational organisations: ethnocentric, or home country oriented; polycentric, or host country oriented; and geocentric, or world-oriented. In terms of LCMs, an ethnocentric model incorporates specific, emic (Pike 1997) behaviours that assume there is one best way to manage organisational strategy. By contrast, LCMs that comprise universally applicable or etic behaviours promote a polycentric perspective in which organisations need to adapt to the local context. Meanwhile, according to Den Hartog and Verbung (1997), a geocentric attitude couples local responsiveness with global integration and is apposite to the concept of a transnational organisation.

Though it is acknowledged that global corporations and their leaders operate in an increasingly cross-cultural business environment, a three-year study by Gregersen, Morrison

and Black (1998) reported that 85 percent of US Fortune 500 firms believe they lack an adequate number of global leaders to sustain their multinational operations.

#### **0.4 Rationale for the thesis**

From my reading of academic and business literature on cross-cultural leadership and LCMs, I was not satisfied that the global deployment of such competency models had been sufficiently researched and codified. Thus, MNCs lacked valid data on which to base their competencies, including the perspectives and experience of seasoned global executives; and as a result, LCMs did not reflect the actual leadership requirements and challenges of the business units across regions. Working with LCMs in multinational organisations, I noticed a need to reconcile the espoused performance-oriented behaviours detailed in such models, and the frustration leaders experienced when implementing these behaviours in dispersed regions where performance per se was understood in different ways.

In attempting to reconcile these dilemmas, I embarked on a programme of education and research to study LCMs, in particular with regard to their cultural contingency and universality, and to learn from executives who experienced the challenges of global leadership on a daily basis. My goal was to collect data on essential competencies for cross-cultural leadership from an executive's perspective, and investigate the level of agreement on the competencies and attributes detailed in the LCMs under scrutiny. I therefore utilised my experience working with leaders from MNCs to formulate and answer the research question.

#### **0.5 Defining the hypothesis**

The research attempts to test the hypothesis that national culture impacts on the development, understanding and deployment of LCMs in MNCs. The hypothesis includes the assumption that considerable boundary spanning skills are required for leading cross-cultural teams whose members are located, in some instances, in more than 20 countries.

While the GLOBE project into global leadership identified 22 leadership attributes - including trust, intelligence, communication and excellence orientation - that are universally endorsed as contributing to outstanding leadership, it also recognised a number of behaviours that are culturally contingent. This study posits that such culturally contingent attributes, framed variously in the guise of situational and relational leadership, have not been given due consideration in the LCMs under investigation.

Another key question in the research is to understand whether LCMs, and the universal competencies contained therein, are a valid means for developing global leaders. On the evidence of LCMs as currently constructed within MNCs, it could be argued that any attempt to formulate universal competencies, no matter how contingent, is inherently flawed. This is a view taken up by a number of scholars opposed to LCMs, including Hollenbeck and McCall (2006), who argue that LCMs have

promulgated a flawed model of leaders and leadership that fails to recognize either the uniqueness or the complexity of executive jobs. Followed to its logical conclusion, competencies would homogenize our leadership pool and acceptable leadership behaviours at a time when diversity of leadership is required to deal with a complex environment (Hollenbeck, McCall and Silzer 2006a p5)

The arguments against LCMs posited by McCall and Hollenbeck intersect with numerous recent debates on LCMs in the age of globalisation, and the transnational transfer of HR practices, which focus on the cultural contingency of leadership behaviours (Morrison 2000, McCall and Hollenbeck 2002, Beechler et al. 2004a, 2004b). Opponents of universal approaches thus argue that global integration and local responsiveness are paramount, and that it is not possible or rational to lead in the same way in different circumstances (Ashkenas et al. 1995, Hamal and Prahalad 1985, Yip 1995). It was important then to ask the middle management leaders in this survey whether it is practical to deploy a universal model in any form.

Any effort to work towards a truly cross-cultural LCM will require ongoing ‘dilemma reconciliation’.

Once you are aware of and respect cultural differences, the way is open for this next step which is based on the concept of reconciliation ... The question is not do cultural differences affect leadership (as they very obviously do) but rather what we do with the differences to make business more effective once we acknowledge cross-cultural or diversity boundaries (Trompenaars and Woolliams 2007 p4).

Leadership models need to jettison one-dimensional thinking in an ongoing effort to coordinate organisations mired in cultural complexity and contingency (Morrison 2000, Emiliani 2003, Trompenaars and Woolliams 2007). Emerging from the primary hypothesis of this study, this approach is fundamental to formulating universally applicable LCMs in multinational organisations.

## **0.6 Research approach – exegetical method**

Prior to commencing the primary research, an exhaustive review of literature relevant to cross-cultural LCMs - a multidisciplinary field including psychology, sociology, anthropology, management, business and cultural studies – was carried out. Secondly, a detailed cross-cultural analysis of the three LCMs included in the study was undertaken. How, and if so in what respect, were the models reflective of the cultural biases of the host country? Did they display a German, US or Anglo-Saxon ethnocentrism? What cultural dilemmas thus needed to be reconciled if the model was to be applied in other regions? Thirdly, an appropriate investigation and research tool was designed (to be outlined in Chapter 1, methodology), before information was gathered and analysed.

The published literature on culture and leadership is long, rich, and diverse; by contrast, the literature on LCMs is relatively limited, diffuse, and often contradictory. Academic analysis of LCMs undertaken in the last decade has largely been conducted in a mono-cultural environment (Hollenbeck, McCall and Silzer 2006a). Indeed, even the GLOBE project, which comparatively tests the impact of culture on leadership in over 60 countries, does not explicitly attempt to understand how culture impacts on leaders working simultaneously across multiple regions. This lack of multicultural context is a lacuna that will be addressed in this study of global leadership in MNCs.

There is a dearth of academic literature devoted exclusively to the study of LCMs in a multinational environment (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006b, Brownell 2006). By attempting the rare task of empirically testing LCMs in a cross-cultural context, this study draws on multi-disciplinary, multi-cultural issues and topics that are yet to be codified. The thesis does not, however, attempt such codification: rather, the goal is to provide an analytical perspective on LCMs in a multinational environment; and to identify critical success factors for the design and execution of such a universal leadership model.

The literature review was initially to be organised by discipline, however the multi-disciplinary approach to this complex, incipient field made the material difficult to classify. An attempt was also made to arrange the research by cross-cultural value dimensions, but this approach compromised the narrative flow of each author's work, and led to unwanted repetition. The most viable option was to chronologically organise the research into leadership and culture, which is done in the literature reviews in Chapter 2 and Chapter 3.

One benefit of this approach was that the evolution of the rationale could be better understood as the theories were gradually explicated.

Once the chronological approach to the literature review was established, a decision was made on how to connect the research and the hypothesis. An exegetical approach - defined by Bernard (2005 p23) as the act of interpreting texts to elucidate meaning and extract truths - was employed to look for the threads and connections: thus the author's use of terminology, the context of their discipline, and the cultural context of their studies was kept in perspective throughout. Research into cross-cultural leadership by the GLOBE project, and a seminal survey of cultural dimensions by Geert Hofstede (1991), became benchmarks, and correlations between this research and the value dimensions in the LCMs were sought.

Hofstede and the GLOBE project's research into the implicit cultural values of various societal groups allowed the research to make a connect between the value dimensions in the LCMs and the cultural orientation of the relevant MNC headquarters (HQ), namely the UK, US, the Netherlands and Germany – the respondents were also natives of these countries.

### **0.7 Hypothesis testing**

A comprehensive analysis of culture-specific issues in the LCMs, contextualised in terms of the literature review, underlined the development of a research tool to test the hypothesis of the thesis: that national culture impacts on the development, understanding and deployment of LCMs in MNCs.

It was necessary to build a holistic picture of cross-cultural leadership competencies, test the efficacy of the models under scrutiny against the views of the informants, and establish which research techniques would best serve the researcher in the investigation. Semi-structured, in-depth interviews conducted by the researcher, along with content analysis of the LCMs, were judged to best facilitate the research purpose – the former flexible, qualitative interview format was deemed efficacious for surveying leaders of varying experience and expertise. 38 interviews (each lasting 45 minutes) were conducted with leaders from six countries and two cultural clusters - the Anglo and Germanic societal clusters as defined by the GLOBE research project (2004).

I was fortunate to have access to middle and senior management leaders in three MNCs in which I have been conducting intercultural trainings and leadership coaching over the past ten years. All leaders who participated in the study had experience leading in a cross-cultural

environment; over half of the leaders had extensive experience. The executives selected for interview had a strong background in culture, leadership, and cross-cultural leadership.

As with any exploratory research, the project created as many questions as it answered. In trying to understand the cultural contingency of the models under investigation, the research worked with a relatively small sample size, and focused only on three LCMs. Additional research with a broader sample would be quantitatively valuable; however the study gives a strong qualitative appraisal of the contingent value dimensions that underline cross-cultural leadership in a multinational environment via the rarely analysed framework of LCMs.

## **0.8 Chapter outline**

The dissertation is divided into eight chapters that structure the various primary and secondary research elements of the thesis.

Chapter 1 outlines the methodological approach to the research, explaining the ontological and epistemological assumptions, the decision to combine qualitative and quantitative methods in data collection and analysis, the process involved in carrying out 38 semi-structured interviews with managers and HR professionals in three MNCs, the strategy for the design of the test, the test evaluation criteria, and a discussion of the data analysis method. This establishes the framework to guide the reader through the analysis of the value dimensions contained in the three LCMs analysed in Chapter 4, and the analysis of the primary research in Chapters 5 to 7.

Chapters 2 and 3 contextualise this research project in light of the vast academic literature devoted to leadership, and more recently, cross-cultural leadership. These critical literature reviews - Chapter 2 focuses on leadership theory in general, and Chapter 3 cross-cultural leadership – are presented chronologically, and will help show how the globalisation and diversification of international organisations has not been matched by adequate research into cross-cultural leadership; and how trait, behavioural and performance-oriented leadership theories persist.

Chapter 2 presents a general overview of cross-disciplinary leadership theories and practices evolving for over a century, thus establishing a framework from which to examine leadership concepts contained in the three LCMs investigated in this study; and to contemplate leadership competencies that will equip leaders to operate in complex, cross-cultural environments. It provides both a summary, and critique, of existing leadership research

literature that has indirectly fuelled ethnocentric LCMs that presume a mono-cultural leadership environment.

Chapter 3 looks at more recent attempts to contemplate a theory of cross-cultural leadership in scholarly debate, and some pivotal empirical studies - ranging from Hofstede to the GLOBE project, to more recent empirical studies on global leadership that recognise the importance of intercultural competence - which have elaborated culturally contingent values dimensions such as power distance, individualism, uncertainty avoidance, in group collectivism and humane orientation. This analysis provides a framework for the examination of three LCMs in Chapter 4, and the complex cultural contingencies at play in the process of conceiving, and implementing, these models in globalising organisations. In addition, it is shown that, while a number of scholars have explored global leader competencies, the field lacks any common research methodology and remains highly discursive – this thesis thus aims to add conceptual rigour to the field.

Having defined the diverse cultural value dimensions that influence conceptions of leadership competencies and behaviours, Chapter 4 provides in-depth analysis of the three LCMs to test the hypothesis. It discusses the cultural contingencies of the competencies and behaviours in the models, and how this impacts on their transferability across cultures. It also provides background as to the evolution of the LCMs, each of which was implemented as part of far-reaching change programmes.

Chapters 5, 6 and 7 contain the primary research findings organised around seven primary research questions or categories, and cross-referenced throughout with the literature reviews and analysis of the models. Chapter 5 presents findings based on comprehensive data analysis of categories 1, 2 and 5, and thus examines leaders' views on essential competencies/behaviours for leading in a multinational environment, their interpretations of competencies/behaviours contained in their respective LCMs, and the omissions and shortcomings of these prescribed competencies. Chapter 6 presents the findings concerning ease of implementation of the LCMs, and the impact of national culture on the transfer of LCMs across regions, while chapter 7 includes findings and observations on the practicality of employing universal LCMs in MNCs, and the factors perceived as fundamental to the successful application of universal models across regions.

Chapter 8, the conclusion, discusses the results and significance of the complete findings, and elaborates avenues for future research discussed in the thesis. Additionally, the chapter outlines the foundation for a proposed universal competency model, to be used in conjunction with regional leadership competence models and functional competency frameworks. This

model is based on the results of the primary data findings, and therefore the leaders responses and suggestions, and is comprised of the core competencies deemed by leaders to be essential to leading in a cross-cultural environment.



## **CHAPTER 1**

### **Methodology**

#### **1.1 Research design for hypothesis testing**

##### **1.1.1 Introduction to chapter**

Encompassing diverse theoretical and empirical terrain, this study of leadership competencies in a multinational environment presents significant challenges in terms of the choice of research methodology for the collection and analysis of data. This chapter will describe the approach that was adopted for designing the research tool, conducting the thematic interviews, the data analysis strategy, the data analysis method, and the justification for the approach.

##### **1.1.2 Background to the research approach: ontological and epistemological overview**

The motivation for this research evolved from 20 years training and coaching leaders in MNCs, where I was struck by the significant impact of national culture on the enactment and deployment of leadership practices and values. Having worked with a range of competency architectures designed by MNCs to support leadership development programmes, I observed that executives and leaders were often less familiar with these tools than HR would deem appropriate for talent management. This was, I believed, in part due to the impact of culture on the perception of such competencies. Though there are general universal patterns and similarities in the definition of multinational leadership competencies and behaviours, executives tend to agree, or disagree, on leadership profiles on the basis of their own cultural subjectivities, and not corporate affiliations. Moreover, if cultural difference and dissonance limits the transfer of LCMs, this is exacerbated by the fact that most LCMs to date are highly ethnocentric, and strongly influenced by US business values and leadership practices (Morrison 2000, Brownell 2006, Trompenaars and Woolliams 2007).

Having affirmed my suspicions regarding the cultural contingency of leadership, and noting that existing business literature had not sufficiently researched and codified cross-cultural leadership and LCMs, I embarked on a programme of education and research to study LCMs. My concern was that organisations did not have valid data with which to establish cross-cultural competency frameworks, particularly in terms of executive experience in a multinational environment. Thus in my own research, I wanted to understand the cultural contingency and universality of leader competencies based on testimony from executives who experience firsthand the daily challenges of global leadership.

The ontological approach - ontology deals with questions concerning the nature of existence, or the objects and concepts that comprise an area of interest, and the relationships between them - was to begin with the goal in mind; to test/validate the hypothesis that national culture significantly impacts on the successful transfer of LCMs across cultures; to seek expert advice and guidance concerning what is real and knowable; and to establish what techniques would lead to a fruitful inquiry.

In epistemological terms – narrowly speaking, epistemology is the theory of knowledge, or an attempt to understand how knowledge is produced, justified or held up as truth - it was also important to establish the relationship between the researcher and the findings, as twenty years work experience in the field can lead to assumptions, and indeed bias. To maintain this awareness, and ensure that the hypothesis was tested with minimal partiality, I reflected on the broadest possible range of both academic and business literature from multiple disciplines. A conscious attempt was made to particularly include literature that would dispute the hypothesis; for example, literature that espoused the universality of leadership, and promoted the standardisation of LCMs.

An axiological approach – according to the Stanford Encyclopedia of Philosophy (2007), axiology is concerned, not with how good things are, but whether objects of value are subjective psychological states, or objective states of the world - ensured that subjectivities were acknowledged in the research process in order to avoid distortion of the knowledge acquired. Having then explored a rich diversity of research, an exegetical approach was employed to facilitate interpretation and arrive at a usable, and critical, theoretical framework from which to conceptualise global leadership. The cross-cultural leadership research of Hofstede (1991) and the GLOBE project (2004) were key in this regard. Using such benchmarks, correlations in the LCMs, if they existed, were then sought.

The next step was to find out which research techniques would best serve the researcher in the primary investigation. Semi-structured in-depth interviews conducted by the researcher, in addition to thorough content analysis of the LCMs, was deemed to best facilitate the research purpose since this was the most flexible way to draw perspectives from leaders with varying levels of experience and expertise.

### **1.1.3 Selecting a testing method: qualitative and quantitative**

Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyzes words, reports detailed views of informants, and conducts the study in a natural setting (Creswell 1998 p15).

By investigating the cultural contingency and universality of the behaviours, competencies and value dimensions in the LCMs, the primary focus of the research was to test their applicability across cultures. A key question in this regard was whether to employ a qualitative or quantitative research method. The former was preferred since identification of cross-cultural leadership values and practices in the models would be challenging enough without having to rank such value dimensions numerically; and gather a research sample sizeable enough to be statistically relevant.

As Bryman and Bell (2007 p474) describe, qualitative interviewing is far less structured than highly formalised quantitative research designed to “maximize the reliability and validity of measurement of key concepts.” In qualitative interviewing, “there is much greater interest in the interviewee’s point of view,” meaning interviewees are given flexibility and “interviewers can depart significantly from any schedule or guide that is being used. They can ask new questions that follow up interviewees’ replies and can vary the order of questions and even the wording of questions.” Thus, in qualitative interviewing “the researcher wants rich, detailed answers; in quantitative research the interview is supposed to generate answers that can be coded and processed quickly” (Bryman and Bell 2007).

The interviews were ranked and coded to create quantitative data, and thus quantifiable points of comparison. However, while the research combined, to some extent, both qualitative and quantitative method, this mixed approach lacks hard statistical accuracy – again due to the relatively small sample. It can thus be surmised that the thesis employs a qualitative research method supplemented with some quantitative data.

Creswell justifies use of such a qualitative method in the social sciences. “Qualitative inquiry represents a legitimate mode of social and human science exploration without apology or comparisons to quantitative research. Good models of qualitative inquiry demonstrate the rigor, difficulty, and time-consuming nature of this approach” (Creswell 1998 p9). Creswell summarised criteria justifying the use of a qualitative research method as follows:

- Exploratory types of research questions
- Topics that need detailed exploration
- Topics that benefit from the presentation of diverse and multifaceted views
- A qualitative approach is suited to study people in their natural setting
- A qualitative approach is suited if personal involvement is desired
- Sufficient time and resources are available for data collection
- Audiences are receptive

This research project fulfils such criteria on the following counts:

- The scarcity of non-US literature on LCMs, and a paucity of hypothesis testing in regards the efficacy of universal LCMs, meant the topic needed detailed exploration
- Cross-cultural leadership research derives often from broad psychological, sociological and anthropological disciplines, and thus the topic benefits from diverse and multifaceted views
- The research was founded on practical experience and personal involvement in cross-cultural leadership
- The MNC executives interviewed are experts who appreciated a detailed investigation of their complex leadership roles, and were thus receptive to the research

The research sought to understand whether the impact of national culture on LCMs rendered the latter less effective in a cross-cultural environment. In this regard, it was necessary to first build a holistic picture of cross-cultural leadership competence, and to test the efficacy of the models under scrutiny against the views of the informants. A qualitative research methodology was, therefore, again vindicated as the best means to leverage in-depth analysis of multivalent theoretical, historical and empirical variables. As discussed, a quantitative approach was also used to gauge the level of consensus on the values and practices cited in the LCMs, and to provide a more exact, if statistically irrelevant, mode of comparison.

#### **1.1.4 Strategy for design of research, research tool and selection of respondents**

The topic of cross-cultural leadership competencies is relatively broad and has been analysed and researched from a variety of disciplinary perspectives. As the research progressed it was essential then to maintain conceptual boundaries. The decision to focus on the deployment of LCMs in a multinational context was made since it also addressed a gap in the current literature. Thus, though there are a variety of research projects that explore leadership and

cross-cultural leadership, and a wealth of business and academic studies on LCMs, there is, as pointed out by Trompenaars and Woolliams (2007), a paucity of studies on LCMs in a multinational environment.

Broader field surveys of cross-cultural leadership by Hofstede and the GLOBE project, though not focusing on multinationals LCMs per se, remained a touchstone throughout the research. But in order to effectively relate the analysis of the LCMs to the cultural dimensions in the GLOBE survey, the executives selected for interview needed to possess strong backgrounds in culture, leadership, and cross-cultural leadership.

The following sections will address the following:

- Identifying companies (i.e. the three companies surveyed in the thesis were chosen because they have headquarters in three divergent cultural regions, a fact that would help tease out the cross-cultural analysis in the thesis)
- Process of recruiting respondents (i.e. permission was sought from senior HR in the organisations to conduct the interviews; respondents were selected on basis of specified criteria; the respondents were also approached individually and asked whether they would be willing to participate in the survey)
- The interview process
- Addressing confidentiality
- Limitations of the approach
- Challenges faced

The next step in the research was to decide the best means to engage the executives, and to select the most appropriate research tool. Firstly, it should be noted that interviews were to be conducted with 38 high calibre business leaders and HR executives from three world-leading MNCs - thus the data was of especially high quality, and remained highly representative of leading edge leadership in major MNCs. A qualitative research approach was employed as the best means to engage these executives as the researcher was particularly interested in gathering detailed data based on the respondents' insights and observations on leadership competence in a multinational environment; and in gauging the efficacy of the incumbent LCMs. The 38 respondents were predominantly middle management business and HR leaders.

Table 1 comprises the relevant demographic information for the respondents, and the selection criteria used.

Corporation Number	Respondent Number	HQ Location	Hierarchical Management Level	Function	Years in Corporation	Nationality	Age	Gender	Current Country	Languages	Number of Cultures Reporting	Years of Experience Leading Intercultural Teams	Working in own Culture
C1	1	NL	Senior	Business	7	British	43	Male	UK	3	8	10+	Yes
C1	2	NL	Senior	Business	27	German	49	Male	GER	2	3	4	Yes
C1	3	NL	Middle	Business	20	Dutch	45	Female	GER	4	5	10+	No
C1	4	NL	Middle	HR	7	German	39	Male	GER	2	0	no data	Yes
C1	5	NL	Middle	HR	18	Dutch	41	Female	NL	3	2	10+	Yes
C1	6	NL	Middle	Business	8	British	32	Female	UK	3	0	5	Yes
C1	7	NL	Middle	HR	10	German	38	Female	GER	4	6	3,5	Yes
C1	8	NL	Senior	Business	22	British	50	Male	NL	1	5	10+	No
C1	9	NL	Middle	HR	4	British	52	Male	NL	4	8	8,5	No
C1	10	NL	Senior	HR	23	Dutch	46	Female	NL	2	1	10+	Yes
C1	11	NL	Senior	Business	16	German	46	Male	GER	2	5	10+	Yes
C1	12	NL	Senior	Business	22	German	52	Male	GER	2	10+	10+	Yes
C1	13	NL	Middle	HR	7	British	52	Female	GER	4	1	no data	Yes
C1	14	NL	Senior	Business	11	German	40	Female	GER	4	4	5	Yes
C1	15	NL	Middle	Business	1	British	44	Female	GER	4	4	10+	No
C2	1	GER	Middle	Business	14	British	40	Male	UK	1	5	2	Yes
C2	2	GER	Middle	Business	18	German	46	Female	GER	3	5	4	Yes
C2	3	GER	Senior	Business	11	German	45	Male	GER	4	5	6	Yes
C2	4	GER	Middle	HR	6	Australian	49	Male	GER	1	2	no data	No
C2	5	GER	Senior	Business	8	German	45	Male	GER	3	10+	3	Yes
C2	6	GER	Middle	HR	8	German	41	Male	GER	2	10+	no data	Yes
C2	7	GER	Middle	Business	17	British	46	Male	GER	2	3	7	No
C2	8	GER	Senior	Business	10	German	42	Male	GER	3	10+	4	Yes
C2	9	GER	Middle	Business	5	British	31	Female	UK	3	2	2	No
C2	10	GER	Middle	Business	2	Canadian	47	Male	CAN	3	3	10+	Yes
C3	1	US	Middle	Business	5	British	31	Female	UK	4	2	7	Yes
C3	2	US	Senior	Business	20	German	46	Female	GER	2	10+	6	Yes
C3	3	US	Senior	Business	23	Australian	38	Female	GER	1	2	3	No
C3	4	US	Middle	Business	7	German	34	Male	GER	2	1	1	Yes
C3	5	US	Middle	Business	5	German	29	Male	GER	5	0	no data	Yes
C3	6	US	Senior	Business	16	German	42	Female	GER	3	10+	3	Yes
C3	7	US	Middle	HR	11	German	39	Female	GER	4	0	0	Yes
C3	8	US	Middle	Business	11	Polish	49	Male	POL	3	2	7	Yes
C3	9	US	Middle	Business	7	German	35	Male	GER	3	0	0	Yes
C3	10	US	Middle	Business	16	US American	42	Male	US	1	10+	10+	Yes
C3	11	US	Middle	HR	2	German	36	Female	GER	4	2	5	Yes
C3	12	US	Middle	Business	5	US American	35	Female	US	2	7	4,5	Yes
C3	13	US	Middle	Business	16	US American	42	Male	US	1	8	7	Yes

Table 1 Relevant demographic information of the respondents and selection criteria

Demographic data (Appendix A) was largely provided by the participants via a questionnaire, but was also based on the researcher’s own knowledge of the respondents’ corporate positions, the workings of middle management in the respective organisations, and the latter’s corporate profile. Such information included HQ location, hierarchical level, function (coded as business or HR), number of years in the corporation, nationality, age, gender, and variables pertaining to the acquisition of ‘intercultural experience’ such as number of languages spoken, number of cultures of direct reports at the time of interview (2008/2009), experience in working with multinational teams, and periods living or working abroad. The 38 leaders

participating in the in-depth interviews were chosen because they had worked across various cultural contexts in the three MNCs.

It was not intended to codify levels of intercultural competence, as this is difficult to quantify (Deardorff 2004, Eoyang 2005, Johnson et al. 2006, Grisham 2006) and the researcher was cognisant of the danger of drawing definitive conclusions on intercultural competence based on the above-mentioned variables, and, rather than codify such competence, aimed to use these more specific quantitative elements to support the more robust qualitative research. In order to assess the relevance of the LCMs within an Anglo-German-Dutch context, an attempt was made to balance the number of respondents from the 'Germanic Europe' and 'Anglo' societal clusters relevant to this study, and as defined by the GLOBE project (GLOBE 2004). 18 German and three Dutch nationals represented the Germanic Europe cluster, while there were 16 respondents from the Anglo cluster, including ten from the UK, three from the US, two Australian and one Canadian.

The hierarchical level of the respondents was another important selection criterion. 25 of the leaders were in middle management, and 13 in senior management. While senior management tend to originate organisational visions and strategy, middle management leaders utilise this strategy to enhance corporate objectives in diverse regions (Den Hartog and Verbung 1997). These managers are thus the conduits through which MNCs achieve cross-cultural synergies across the organisation. While senior management will commission the development of LCMs, and authorise the final product, middle managers have front-line experience leading multinational teams and creating synergies around organisational strategic goals. The interview respondents were thus specifically selected to test the appropriateness of the competencies comprised in the LCMs, and the ease of operationalisation.

It should be noted that though about one quarter of these leaders were drawn from HR departments, this was for no reason other than my pre-existing relationship with HR managers in my work as a trainer and coach in MNCs. However, as will be shown in the data analysis, the coding according to business and HR functions added a further dimension to the data analysis in terms of the perceived challenges in implementing LCMs; the efficacy of using competence architecture in leadership development; and the relevance of the comprised competencies to the challenges leaders face in their daily business.

The design of the interviewing process followed from the above criteria:

- Selection of 38 multinational executives with cross-cultural leadership experience in MNCs
- Executives submitted relevant demographics that were essential to the data analysis - age, gender, nationality, experience in leading multinational teams, nationalities of direct reports, cross-cultural experience (Appendix A)
- Quantitative/qualitative analysis of demographics
- Conducting of semi-structured interviews
- Qualitative and quantitative analysis of interview data

#### **1.1.5 Design of the research tool/research question (focus of enquiry)**

Having rigorously appraised the respondents throughout the selection and recruitment process, especially in regard to their level of intercultural experience, it was left to set the limits of the interview process to tease out key concepts in the research. Using the research question, a topic guide was developed for use during in-depth semi-structured interviews. The latter qualitative method was regarded as the best means to retain flexibility when interviewing leaders of varying experience in cross-cultural leadership, and with different areas of expertise. This topic guide gives the interviewer a framework to structure the discussion, but allows flexibility, and deviation, depending on the context and the responses of the interviewee – for example, the interviewer may ask questions not included in the topic guide if they want to follow up on points made by the interviewee. Put simply, semi-structured, and sometimes unstructured, interviews are standard for qualitative research projects, while structured interviews are used exclusively in quantitative studies (Bryman and Bell 2007).

This topic guide was then used to generate categories for preliminary coding of the data. The seven categories identified for analysis were:

- Essential competencies and behaviours for leading in a multinational environment based on executives' experience
- Competencies and behaviours comprised in the LCMs that overlap/or are in addition to essential competencies and behaviours in category 1
- Ease of implementation
- Impact of culture on implementation of model
- Additional competencies and behaviours required that are not included in the LCMs



- Practicality of universal leadership models
- Factors supporting the efficacy of a universal model

The questions used to frame each category are included in Appendix A.

## **1.2 Data collection and analysis**

### **1.2.1 Data sources**

The study endeavoured to collect as rich and varied a data set as possible. Data was collected by the following means:

- In depth semi-structured interviews with senior executives of several nationalities currently working in three multinational corporations
- Demographics recorded against each participant
- Field notes and observations recorded

### **1.2.2 Interview procedure and selection of executives**

While it was important to recruit executives from high calibre MNCs, and from middle management positions with high exposure to multinational teams, and the day-to-day business of effecting corporate synergies across cultures, it was also important that impartiality and an interest in the topic were balanced. The executives were told what was required of them, how much time it would involve, what the purpose of the study was, the level of anonymity involved, the promise of strict confidentiality on the part of the researcher, as well as what would be done with the collected data. Neither that identity of the three corporations nor the respondents' identities were to be revealed; the companies and respondents were coded by number.

Working with geographical and time restrictions, a decision was made on whether to conduct the interviews face-to-face, or by telephone, to accumulate the opinions. The executives who were readily accessible were interviewed face-to face, and telephone interviews were conducted with leaders in remote locations.

All interviews were recorded and the verbal real-time exchange ensured that a deeper context, and thus a better understanding of the nuances of opinions, was achieved. On average, the interviews were three quarters of an hour in length. Adherence to the topic guide ensured structure and consistency. Over two thirds of the interviews were conducted in English, and the remaining interviews were in German.

The interviews in English were transcribed verbatim, while the German interviews were transcribed in German (see Appendix A, sample tape scripts). The latter data was manually analysed in German by the bilingual researcher. When using the NVivo analysis software, a professional translation was used for comparative purposes (see forthcoming section).

Translation was a minor concern since the highly experienced leaders interviewed routinely work in bilingual environments and commonly transfer meaning between English and German, while the interviewer has been working in a bilingual context for 20 years. Throughout the interviews, the interviewer employed consistent repetition and paraphrasing to confirm the intended meaning of interview responses. Thus there was a high level of understanding - facilitated by precise translation of the terminology relevant to the competencies being explored - if and when questions of semantics arose during the interview.

### **1.2.3 Rationale for use of NVivo and database compilation**

The data, once collected, was imported into a data analysis software package known as NVivo. A specially developed computer aided qualitative data analysis system (CAQDAS), NVivo is recognised as a highly reputable tool for managing and supporting qualitative analytical work. Developed by Professor Lyn Richards (2005) of Latrobe University, Melbourne, NVivo is now standard qualitative data analysis software in many universities. Using NVivo to process the data had two principal benefits.

- Efficiency/scope of enquiry
- Transparency/audit trail

NVivo offered efficiency, facilitating a thorough, systematic exploration of avenues of enquiry that would not have been possible in a manual system due to time constraints. This efficiency further allowed for the exclusion and inclusion of propositions, or emerging hypotheses, throughout the analytical process. In addition, NVivo facilitated the automation of many administrative tasks associated with the qualitative data analysis, allowing the researcher further time to reflect on the interpretive aspects of the data.

NVivo software ensured that a clear audit trail was maintained throughout the analysis, thus guarding against random, subjective analysis. All coding processes and stages were tracked in a way that would best facilitate an objective and rigorous approach to the data analysis.

### 1.3 Database design

The database was designed for robustness and rigorous data interrogation, meaning analysis could accommodate unforeseen questions that arose during the analytical process (Miles and Huberman 1994). Initially, interviews were transcribed and imported into the NVivo database – all data was imported in English (a professional translator translated the German interviews). Demographic details such as “Nationality”, “Number of Nationalities in Current Reports”, and “Interview Number”, among others, were also imported. Appendix B shows the full list of demographic details used. Such details were integrated with the qualitative data so that the database could track respondents and their responses.

These demographic details were chosen for their tangible nature, which would give form and context to analysis of the many intangible variables under scrutiny, including leader attitudes or value beliefs. For example, the coding strategy included comparative analysis of corporate and national cultures to consider which, if any, was dominant. Demographic details such as nationality and corporation were therefore pivotal to the database design.

In addition to the importation of the transcriptions, all audio recordings were imported into the database and linked at relevant points to the transcripts to offer a more holistic view of the data. Audio data added richness to the analysis since important qualitative aspects of the data were captured: for example, pauses before speaking, or humour in the voice were linked to the relevant text in the transcript (Appendix C). Audio recordings were also coded directly to nodes from the audio recording timeline.

NVivo is a so-called ‘relational database’, which allows all relevant data to be linked and cross-referenced during the data gathering and importation process. The following data types were formally linked in the database:

- Sources
- Field notes and observations
- Memos
- Digital data
- Literature review
- Library and journal articles

Observations from the field notes include, for example, when a participant would carefully reflect out loud before answering a question or probe. On occasion, the participant would read

parts of the LCM before answering. If one relied solely on the transcript, these ‘reflections’ might be mistaken for answers. Field notes and observations enhanced and informed a more holistic understanding of the data by observing pauses, irony, and humour, which could be misinterpreted if taken exclusively from the transcripts (Appendix D).

Memos served three purposes in this study.

- a) Giving context to sources
- b) Generating proposition statements
- c) Defining nodes

Memos were used to give context to an entire source. For example, one participant gave the interview in his second language, English. However, at certain stages of the interview he seemed to have difficulty translating certain concepts from German to English, and alternated between German expressions and English terms, eventually lapsing into German altogether. Given the subtleties and complexities of meanings associated with translation, memos were recorded by the bi-lingual researcher and used to address such complexities (Appendix D).

Generating proposition statements was a process set out under phase 6 of the coding framework. Memos were also used to record the researcher’s thoughts throughout the process of breaking down the data into ‘units of meaning’ (Lincoln and Guba 1985). Here, all nodes were defined so that such meanings may be clearly understood by study supervisors, and to ensure coding consistency against the stated definitions (Appendix E).

The literature review document was imported and linked to the transcripts to set the primary data in dialogue with the theories and theorists under review. Published data from key theorists was imported into the database and segments from these publications were coded against the seven major categories of the study (Appendix F).

Library articles and other electronic resources (journal articles, web pages and LCMs) were also imported and linked to the transcripts as a means of placing the data in dialogue with the policy arena and wider discussions relating to the research project (Appendix F).

## **1.4 Coding framework**

Nodes hold data that has been coded from sources. To aid the research supervision process, and to test for coding consistency, all nodes created in the study were specifically defined for clarity. Five types of nodes were used to analyse the data.

- Free Nodes
- Tree Nodes
- Case Nodes
- Relationship Nodes
- Matrix Nodes

### **1.4.1 Free nodes**

Free nodes are a repository for broad, thematic, participant-driven coding known as theme. Data was formatted in the transcripts and queries were written to extract segments of text that related to a given theme, which were then coded together as free nodes. Thus, all of the contributions by executives to Category 1 (essential competencies and behaviours for leading in a multinational environment based on executives' experience) were grouped together into free nodes for the purposes of 'coding on' into sub themes (Appendix G).

### **1.4.2 Tree nodes**

Tree nodes are similar to free nodes with two exceptions:

- they can have relationships with other nodes and thus may be grouped into categories of themes
- They can have 'children' and thereby have a hierarchy imposed on them (Appendix H)

### **1.4.3 Case nodes**

Case Nodes were used to generate a case file that holds all data related to an individual participant, and which is physically linked to their demographic details, and the results of a quantitative survey designed for tracking participants (Appendix B). Thus, intangibles such as attitude and beliefs (for example, data coded in a node which hosts all references to 'shared values') can be intersected with tangibles such as nationality, thereby giving greater context, and depth, to analyses of value dimensions under scrutiny. Appendix B shows the relationship in the database between the contents of a case node (what executives said) and the demographic tables (who they are).

#### **1.4.4 Relationship nodes**

Relationship nodes were used to formally log relationships across and between themes and categories. For example, executives frequently cited the theme ‘shared values’ when discussing behaviours and competencies associated with LCMs. However, the qualitative database was not only used to track where ‘shared values’ was raised, but which behaviours executives from various organisations associated with this theme. Relationship nodes were thus utilised to track these important relationships and thus diversify the variables through which to analyse the data.

#### **1.4.5 Matrix nodes**

Matrix nodes were used to intersect disparate nodes; both with each other, with cases, and with demographics. They were also used to analyse qualitative coding. For example, how often something was raised, prompted or unprompted (by number of coding references), or how animated a person was about something (number of words coded or amount of time taken).

### **1.5 Application of nodes in the study – coding strategy**

A coding strategy was used to apply the five node types as detailed above. The guidelines for this coding methodology were drawn from Lincoln and Guba (1985) and Maykut and Morehouse (1994), adopting a phenomenological approach based on ‘constant comparative method’. This is a means of identifying and analysing categories and their relatedness, a process that facilitates the development of theoretical perspectives that are grounded in the data. The coding strategy/framework involves seven stages, some of which have two parts as follows:

Phase 1: Creating sets (by corporation and culture)

Phase 2 (Parts 1-2): Grouping by theme

Phase 3 (Parts 1-2): Cross coding

Phase 4 (Parts 1-2): Coding on

Phase 5: Comparative analysis

Phase 6: Raising proposition statements and distilling data

Phase 7: Synthesising proposition statements and generating an outcome

#### **1.5.1 Phase 1: Creating sets**

Executives were divided into groups or data sets. Group 1 – Executives grouped by corporation; and Group 2 – Executives grouped by culture or nationality.

### **1.5.2 Phase 2 (Parts 1-2): Grouping by theme**

This is the phase where the research question was introduced, themes were created (tree nodes), and categories in phase 1 grouped logically under the relevant theme from the research question. In Part 1, these categories were grouped by corporation (data set 1); and in Part 2 they were grouped by nationality (data set 2).

Category 4 was grouped as a sub category of category 3, and category 7 was grouped as a sub category of category 6 (the categories are listed above).

### **1.5.3 Phase 3 (Parts 1-2): Cross coding**

Each of the seven themes from the research question was 'cross coded' to test its content against the other six categories. For example, a person coded to category 1 (essential competencies and behaviours for leading in a multinational environment based on executives' experience) may, in responding to a question on this theme, unintentionally address another theme such as category 6 (practicality of universal leadership models). The cross coding process, as part of the overall coding strategy, was designed to address this issue by ensuring that each category contained the correct coding references that had been checked qualitatively by the researcher to ensure its validity (Appendix K).

### **1.5.4 Phase 4 (Parts 1-2): Coding on**

The major categories developed and populated in phases two and three were 'coded on' into their constituent parts. For example, category 1 was coded into sub themes emerging from the category. This process resulted in a 'hierarchical coding tree' that catalogued the emergent issues for the participants under scrutiny.

Based on the transcripts and verbatim audio recordings, this process involved analysing the competencies and associated behaviours that were cited by executives, as well as other emergent themes for each category - these figures were then converged to establish rankings for each corporation. The parent node for category 1 thus contained all associated competencies and behaviours, while the child nodes contained matched behaviours where executives agreed or disagreed on such matched behaviours. Over 1200 tree nodes were coded during the analytical processes.

### **1.5.5 Phase 5: Comparative analysis**

Comparative analysis of the two stages of coding (competencies and associated behaviours from phases 2, 3 and 4) in the qualitative database could confirm whether there was a better fit between cited competencies and behaviours viewed by local culture, or corporate culture.

In other words, does an executive better match with a fellow executive sharing the same culture, but from a different corporation; or do they align more with corporate colleagues from outside their culture? This was an important determinant of the way culture impacted on the interpretation of competencies.

Demographics recorded against each participant at the interviews were also deployed in phase 5 to consider if attributes such as experience within the corporation (length of time exposed to the corporate culture) or age/gender impact in any way on the attitudes and beliefs held by executives about their relevant LCM.

### **1.5.6 Phase 6: Generating proposition statements**

In this analysis phase, memos designed to summarise research assumptions were generated – this was employed at the point where a true representation of the combined attitudes and beliefs of study participants under each of the five major coded themes had emerged. To aid this process, memos were written at a lower level within the coding tree against important nodes, and then synthesised into ‘master’ memos at the top of the tree or at category level. This ‘bottom up’ approach ensured that a systematic and graduated building of understandings was maintained (Appendix L).

### **1.5.7 Phase 7: Testing proposition statements and distilling data**

Phase 7 involved testing the proposition statements against the data for supporting ‘evidence’, which backed up the empirical findings recorded in the memos. Some of the supporting data lay in existing nodes; some however needed to be located via further cross-tabular interrogation of the data, meaning this supporting evidence lay across, and between, themes in the coding tree. Frequently, such further interrogation, or querying, created new nodes as data gathered from disparate existing nodes in order to support or question a stated belief in a given proposition statement.

For example, one proposition statement set out that some of the language used by executives seemed more consistent with nationality than corporation. Thus, some executives believed that being regarded as ‘authentic’ by reports was very important, and a data pattern emerged showing that Germans from two separate corporations were more likely to raise this view.

In response, a query was used to gather references to ‘authenticity’ from a range of cited behaviours and competencies already coded. Appendix M clearly shows that two separate corporations were equally represented in the ensuing node. However Appendix N also clearly demonstrates that the same data, when split by nationality rather than corporation, shows that



Germans dominated this view (and some Dutch) almost exclusively, regardless of which corporate entity they belonged to. The results of this query clearly supported the proposition statement claiming that the executives who held this belief were demarcated along cultural lines, while the corporate demarcation was blurred to non-existent.

#### **1.5.8 Phase 8: Synthesising proposition statements and generating an outcome statement**

Phase 8 involved synthesising the data into a coherent, well-supported outcome statement. As some findings transcend or intersect with other major emergent themes, a synthesising process, rather than a simple merging of the proposition statements generated in phase 6, was used to cohere meanings embedded in the data into a final outcome statement.

### **1.6 Value of the research**

The primary value of this thesis is that it makes a new contribution to existing literature in the field of LCMs in MNCs, which benefits both the practitioner and researcher. Practitioners are able to engage with a study modelled on the perspective of HR specialists, business executives, and the researcher, that each offer considerable experience negotiating cross-cultural leadership in MNCs. For researchers, the study fills a theoretical lacuna in existing studies of LCMs in a multinational context. While there has been significant research on leadership from a cultural perspective (GLOBE 2004), and on leadership itself (Bass and Stogdill 1990), there has been little or no investigation into the cultural contingency or universality of leadership competencies in LCMs. This thesis attempts to close that gap, and thus pave the way for organisations to develop LCMs that include a perspective relevant across cultures, as well as to organisational goals.

### **1.7 Chapter summary**

In an attempt to test the hypothesis of this thesis - that national, and organisational, culture impacts on the enactment and deployment of LCMs in MNCs - this chapter described the testing method, the strategy for the design of the test, the test evaluation criteria, and the data analysis method. In line with a number of other cross-cultural surveys, a qualitative method was utilised to acquire the opinions of the 38 leaders in three MNCs, and, as described, a qualitative as well as quantitative analysis was then performed on the data.

This methodological framework is utilised to analyse the data in Chapters 5, 6 and 7. In advance of this, Chapters 3 and 4 provide a detailed literature review of diverse leadership theories and research, along with more recent cross-cultural, global leadership studies.

Developing a closer understanding of existing scholarly research in the field will facilitate a more thorough testing of the hypothesis, and contextualise the contribution of this study to the field.

## **CHAPTER 2**

### **Literature review: Leadership**

#### **2.1 Introduction to chapter**

This chapter presents a general overview of leadership theories and practices that have evolved for over half a century, thus establishing a framework from which to examine leadership concepts contained in the three LCMs investigated in this study. Both a summary, and critique, of existing leadership research literature, the chapter also attempts to frame leadership scholarship in the context of cross-cultural leadership, the topic of the next chapter. The diverse leadership theories discussed range from classical task- and people-oriented leadership through to more contingent theories that put leadership in a greater situational and relational context. These theories have been selected for their pivotal contribution to leadership research, but also their potential relevance to global, cross-cultural leadership competencies.

In an effort to better understand the vast literature pertaining to definitions of leadership, and to create a framework for analysis of the leadership competence models to be investigated, it will be germane to compare and contrast ten pivotal leadership categories that are most relevant to the goal of investigating contemporary LCMs. These include:

- Management and leadership
- Classical approaches
- Trait approach
- Behavioural/Style approach
- Relational approach – transactional and transformational leadership
- Contingency theory
- Situational approach
- Unified theory of leadership
- Emotional Intelligence
- Shared Leadership

#### **2.2 Management and leadership**

An ongoing dilemma for organisations is to decide whether business is better controlled, guided and directed by leadership or by management. Proponents of leadership argue that the militaristic, command-and-control management approach has become anachronistic, and that

the current downsized, flat-management era requires a new leadership style (Bennis and Townsend 1997).

According to Kornor and Nordvik (2004), management is task-oriented while leadership is people-oriented. Sarros and Santora concur: “Management deals with systems and structures, leadership with people and ideas” (2001 p11). It can be argued that leadership effectiveness is dependent on two leadership behaviour dimensions: task-orientation and relationship-orientation. Research findings indicate that individuals scoring high on both dimensions perform better as leaders (Stogdill 1948, 1974, Blake, Shepard and Mouton 1964, Fiedler 1967).

While people need leadership, they do not necessarily need management. Sarros and Santora (2001) argue that systems and procedures need management, whereas people need leadership, as do feelings, ideas and teams. Bennis and Nanus (1985) elaborated this essential difference: “... managers are people who do things right and leaders are people who do the right thing” (1985 p221). Accordingly, the decision to foster a management or leadership culture in organisations is contingent on the outcome being pursued; a manager maintains, a leader develops.

According to Bennis and Nanus (1985), the management function relates to:

- How to manage things – finance, process management, personnel management
- How to manage technology - technology management, product management, core technologies
- How to manage strategy - vision, mission, objectives
- How to manage markets - market knowledge, market-orientation, system business skills

And the leadership function relates to:

- How to lead others - motivation, communication, teamwork
- How to lead yourself - personal effectiveness, time management
- How to lead in specific situations (situational leadership)

The primary management functions identified by Fayol (1919) in his pioneering *General and Industrial Management* – and which are still largely evident today - include planning, organising, staffing and controlling. Leadership also encompasses these basic functions, however the primary role of leadership is to produce change and movement (Bass 1985a).

Leadership involves vision building, strategising, aligning people, communicating, motivating and inspiring (Kotter 1990).

In today's globalised businesses, understanding the significant distinction between leadership and management is vital when delineating leadership competencies across a complex, and often confused, management leadership continuum. LCMs and leadership programmes focusing on management as opposed to leadership may tend to maintain and conserve, and not encourage future development, the central goal of leadership. Though the LCMs combine the functions of leadership and management - i.e. task and relationship orientation - the analysis in Chapter 3 shows how bias in orientation depends on the organisation's underlying tacit assumptions and values (Schein 2004).

### **2.3 Classical approaches**

The early focus on scientific and task management in organisational theory is vital to understanding the later shift to people management and a relationship orientated work environment. First described by Taylor in *The Principles of Scientific Management* (1911), such early task-focused management focused on ways to improve efficiency and optimise production methods and techniques. It was emphasised that the organisation or work environment needed to be well structured and work processes well planned. Taylor introduced work-studies and time-monitoring studies to measure and improve performance in this task-oriented environment.

In the 1920s, Mayo and his colleagues added a human dimension to task management, with the renowned Hawthorne Studies demonstrating the effect of people on efficiency (Mayo 1933). Likewise, in 1938, Lewin and Lippitt proposed leadership classifications based on the way task and relationship needs were emphasised.

Classical approaches to management and leadership have, for over a century, recognised significant differences between relationship and task orientation on the one hand, and democratic and authoritarian leadership on the other. Likert's 1967 study, for instance, identified four management styles on a continuum from System 1 to 4, as indicated in the Figure 1.

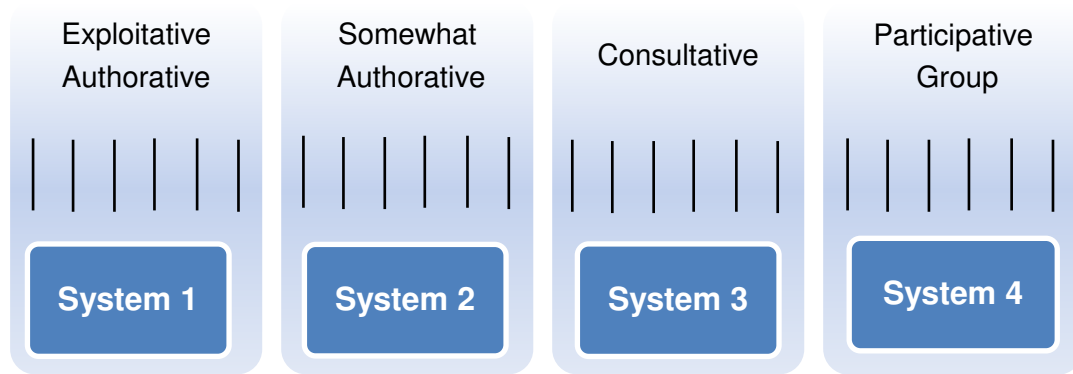


Fig. 1 Management Style Continuum (Likert 1967)

System 1 represents a task-oriented, highly structured authoritarian management style; while System 4 represents a relationship-oriented style based on teamwork, mutual trust and confidence - Systems 2 and 3 are intermediate stages between these extremes.

Tannenbaum and Schmidt (1973) also graphed a range of leadership behaviours from boss-centred (task) to subordinate-centred (relationship), representing the extremes of authoritarian and democratic leader behaviour.

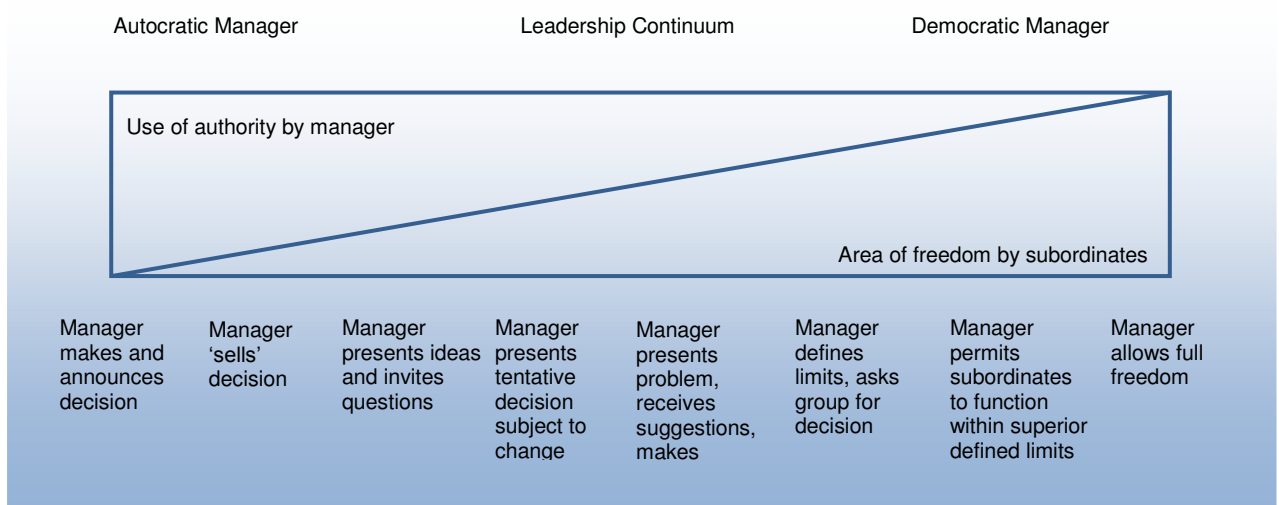


Fig. 2 Leadership Continuum (Tannenbaum and Schmidt 1973)

They suggest that autocratic leaders are more likely to make decisions without engaging their subordinates, whereas a more democratic leader tends to delegate some aspects of decision-making. To choose the most appropriate style and use of authority, Tannenbaum and Schmidt (1973) argued that the leader must consider:

- Forces in the manager: belief in team member participation and confidence in capabilities of members
- Forces in the subordinate: subordinates who are independent, tolerant of ambiguity, competent, identify with organisational goals
- Forces in the situation: team has requisite knowledge, holds organisational values and traditions, and works effectively
- Time pressure: need for immediate decision under pressure militates against participation

The advantage of the leadership continuum model is that it provides leaders with a range of choices for involvement while emphasising employee development and empowerment. The leadership continuum model assumes, however, that the manager has sufficient information to determine the disposition of the team; and that the manager operates in a "neutral" environment without social bonds or politics.

The forthcoming analysis of LCMs indicates a need for leaders to excel in self-reflection, empathy and understanding to determine the competence and disposition of his or her team. Additionally, leaders need to demonstrate flexibility and adaptability in multiple cultural environments since it would be detrimental to presume neutrality. While cognisance of the distinction between authoritarian and democratic leadership is a valuable starting point in the study of leadership theory, these simplistic polarities fail to account for today's ambiguous multicultural environment (House et al. 2004a, Trompenaars and Woolliams 2007).

The Likert and Tannenbaum–Schmidt models are comparable to Douglas McGregor's classic 'Theory X Theory Y' leadership model, which drew out the polarities between hard and soft management. McGregor's model appeared as follows in *The Human Side of Enterprise* (1960).

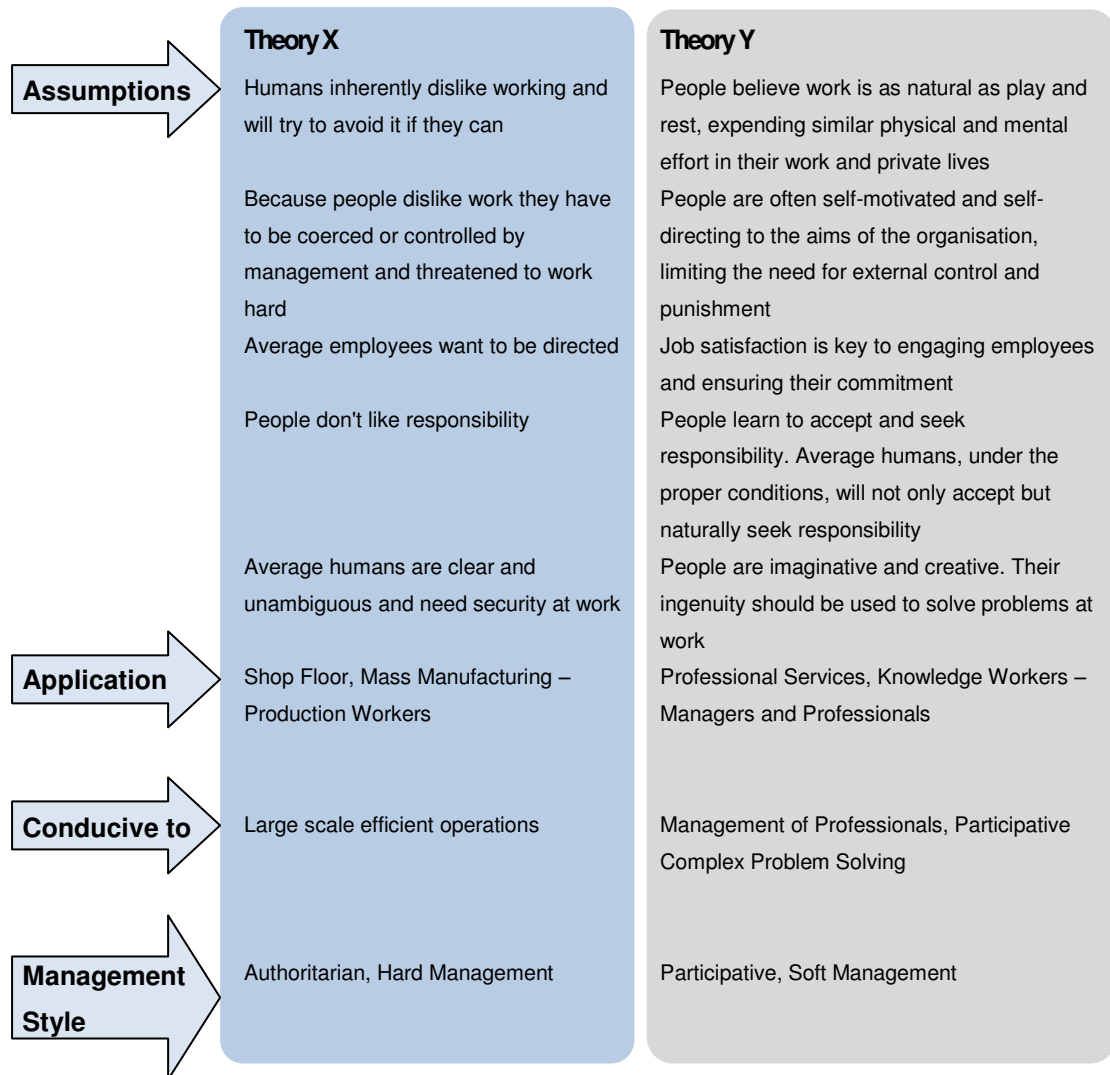


Figure 3: Theory X Theory Y Leadership Model (McGregor 1960)

The Theory X Theory Y leadership model differentiates between the need for hard and soft management approach based on the social and professional status and attitudes of workers. Thus by 1960, we see the social sciences moving from task-related ideas of leadership in mass organisations towards relationship oriented, participatory, subordinate-centred leadership theories. This shift was driven by the greater complexity, and transnational reality, of large organisations in the mid twentieth century.

A multitude of more nuanced ideas about leadership emerged at this time, and in 1957 Argyris published his “immaturity” versus “maturity” theses, contrasting bureaucratic/hierarchical and humanistic/democratic organisational beliefs and values. Argyris claimed that adherence to the former results in poor, shallow and mistrustful relationships, whereas humanistic values nurture trust, authentic relationships, and greater cooperation, leading to improved organisational performance. By contrast, line management



models in formal and bureaucratic organisations sustain immature employee relations within the organisation (Argyris 1957).

Similarly, Maslow's hierarchy of needs (1954) and Frederick Herzberg's (1966) motivation-hygiene theory, watermarks in humanist management theory, allowed researchers to better appreciate the complex emotional and psychological factors that need to inform leadership behaviours.

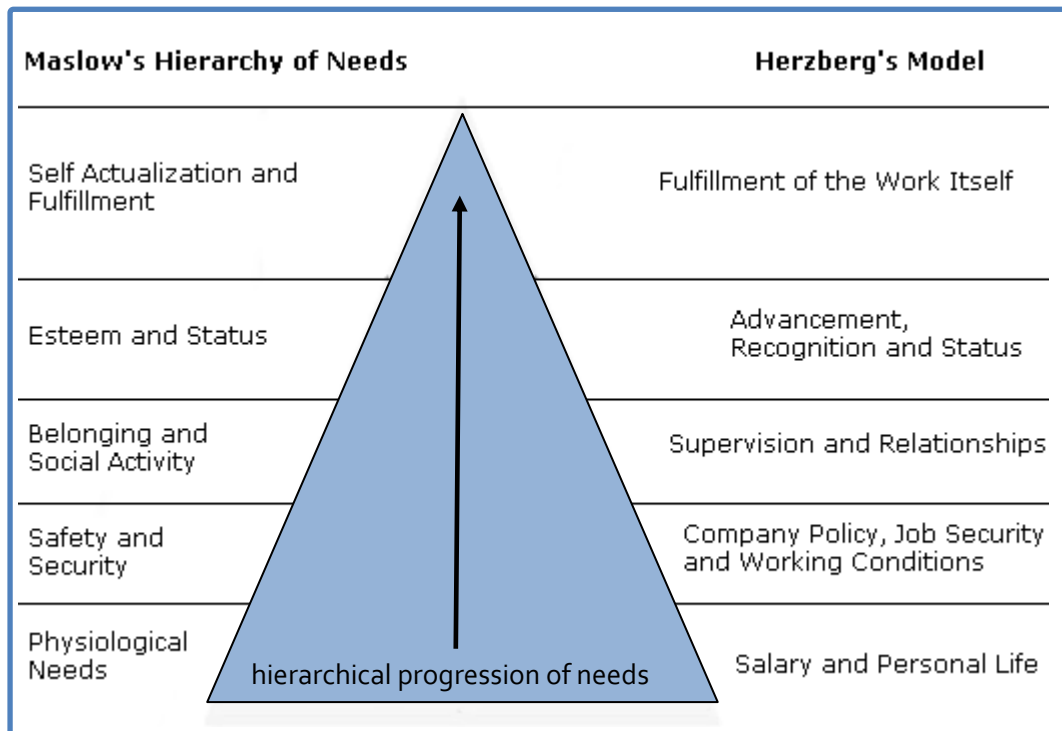


Fig. 4 Maslow's Hierarchy of Needs (1954) and Herzberg's Model (1966)

Herzberg differentiated the factors in the work environment that inspired either employee satisfaction or dissatisfaction. Not two ends of the same continuum, these factors have their own trajectories: those leading to satisfaction are defined as motivators, since employees are motivated to achieve them; while factors avoiding dissatisfaction are called hygiene factors since they are necessary to keep employees from being dissatisfied.

## Hygiene Factors

- Quality of supervision
- Pay
- Organisational policies
- Physical working conditions
- Relations with others
- Job security

## Motivators

- Promotion opportunities
- Opportunities for personal growth
- Recognition
- Responsibility
- Achievement

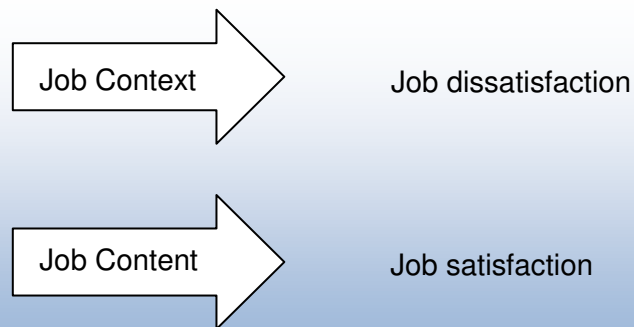


Fig. 5 Herzberg's Two-Factor Theory

Herzberg's two-factor theory is relevant to leadership since leaders will always be interested in limiting dissatisfaction and promoting satisfaction to enhance workforce performance.

Need and motivation theories are relevant to leadership since an understanding of needs enables a leader to influence collaborator behaviours. For example, Maslow's widely influential hierarchy of needs (1954) recognises that needs influence results and outcomes, and that employees are motivated to behave in ways that will satisfy these needs (see Murray 1938, Alderfer 1969).

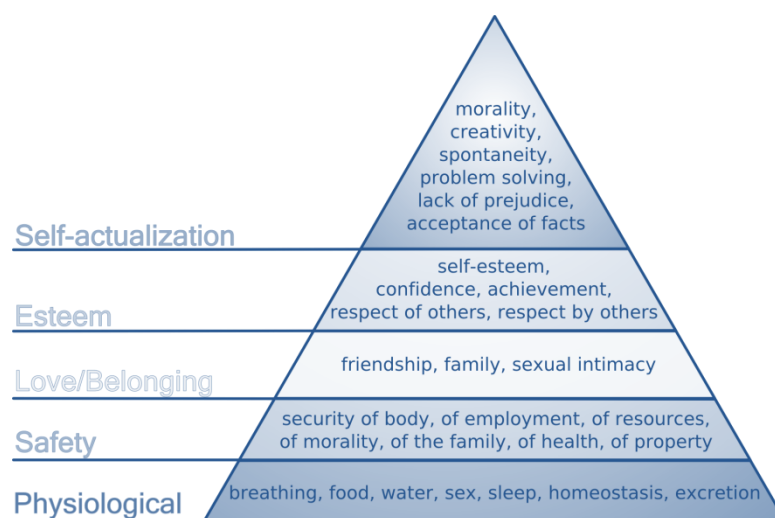


Fig. 6 Maslow's Need Hierarchy

According to needs and motivation theories, a leader's key challenge is to create the appropriate environment within which employees can meet their needs. Such theories

importantly shift emphasis from the traits and behaviours of leaders, to those of followers. Leadership therefore needs to be understood, not only in terms of the process and activity of the leader, but the way leaders create and respond to different environments dependent on the particular skills, needs and motivations of the people being led.

The notion that motivational and need factors are elementary to effective leadership was given further weight by Vroom's (1964) expectancy theory of leadership. Vroom argued that people act in certain ways when they believe it will promote a desired outcome. The expectancy theory encourages leaders to understand peoples' inherent values, and thus comprehend how these values inform desired outcomes. Leaders will then best be able to influence the behaviours of collaborators toward achieving organisational goals. More recently, Schein (2004), in his analysis of organisational culture, described the importance of value congruence as another key criterion in formulating a clearer model of leadership competency.

A major antecedent to prevailing concepts of leadership performance orientation in academic and business literature is McClelland's motivation theory. In *The Achieving Society* (1961a), McClelland asserted that human motivation comprises three dominant needs: the need for achievement (N-Ach), the need for power (N-Pow), and the need for affiliation (N-Aff). The subjective importance of each need varies from individual to individual and is contingent on one's cultural background. McClelland's theory has particular relevance to the forthcoming cross-cultural analysis of LCMs in which differing perceptions of achievement, ascription orientation and power relationships is discussed.

Locke's (1968) goal-setting theory, which gives similar attention to motivation and need, suggests that people are motivated to achieve goals and their behaviour is adapted accordingly. Performance goals, set by either leaders or individuals themselves, therefore contribute to determining desired behaviours. Likewise, positive reinforcement theory (Skinner 1969) presumes that employee behaviours leading to positive outcomes will be repeated, while behaviours resulting in negative outcomes will be avoided. Inspired by behaviourist social psychology, the theory suggests that behaviour is controlled by its consequences.

Such classical approaches to the scientific study of management and leadership have laid the foundations for future leadership studies, with performance orientation, achievement orientation and positive reinforcement theories each highlighting the complex social, psychological and cultural factors underpinning effective leadership in mass organisations. It will be shown later in this chapter, and in the chapter on cross-cultural leadership, how such

classical theories remain wedded to leadership theory, particularly the ongoing focus on performance and task-oriented competencies.

## **2.4 Trait approach**

Like classical leadership and management theories, the trait approach to leadership development is a forerunner to contemporary ideas about desired leader competences and behaviours. But unlike the relationship orientation of the theories just described, the trait theory of leadership focuses on leaders' individual competence and eschews broader environmental influences.

### Early history of trait approach

Emphasis on leader character traits extends from the Ancient Greeks, with Hippocrates, for example, arguing that some leaders have innately influential personality types. Philosophical writings have long posited such "great man" theories when trying to distinguish traits that make some individuals successful leaders. In modern times, Carlyle (1841) and Galton (1869) initiated the nature concept of leadership, while the ensuing century of research into early trait theory highlighted the influence of individual hereditary characteristics on leadership. Leadership was thus explained in terms of innate individual qualities (Bernard 1926), allowing a demarcation between those born to lead and those born to follow. The attraction of the trait approach was the presumption that successful leaders could be easily assessed and put into leadership roles according to specific trait profiles.

### Criticism of trait theory

In the wake of a series of qualitative reviews of these earlier studies (Bird 1940, Stogdill 1948, Mann 1959), the universal trait approach was criticised for its lack of situational and relational leadership components. The identification of traits does not consistently differentiate leaders from non-leaders across a variety of situations (Mann 1959). Mann and Stogdill conclude that although some traits are common across a number of studies, there is no single, universally applicable profile for a so-called great leader. This idea of cross-cultural contingency will be fundamental to understanding contemporary LCMs.

In addition to neglecting context-specific factors, the trait theory has been criticised for overlooking the importance of the relationship between leader and subordinate, and instead emphasising the individual in isolation (Gill 2006). This explains why behavioural, situational and relational leadership approaches (Halpin and Winer 1957, Hemphill and Coons 1957) defined much of the leadership theory and research in the decades after the trait approach predominated.

## Summary of traits identified in research

Bass and Stogdill (1990) provided a review of leadership studies prior to and after 1947, when the trait approach was ascendant. The following table summarises the frequency with which certain leadership traits were reported.

Factor	Number of Studies Found	Example of Study
Technical skills	18	Borgatta & Eschenbach, 1955
Social nearness, friendliness	18	Hausman & Strupp, 1955
Task motivation and application	17	Creager & Harding, 1958
Supportive of the group task	17	Ghiselli, 1960
Social and interpersonal skills	16	Bartlett, 1959
Emotional balance and control	15	Carter, Haythorn & Howell, 1950
Leadership effectiveness and achievement	15	Borgatta, 1955a
Administrative skills	12	Borg, 1960
General impression (halo)	12	Mandell, 1956
Intellectual skills	11	Grant, 1955
Ascendance, dominance, decisiveness	11	Klein & Ritti, 1970
Willingness to assume responsibilities	10	Flanagan, 1961
Ethical conduct, personal integrity	10	Falangan, 1951
Maintaining a cohesive work group	9	Cassens, 1966a
Maintaining coordination and teamwork	7	Wilson, High, Beem & Comrey, 1954
Ability to communicate, articulateness	6	High, Goldberg & Cornrey, 1956
Physical energy	6	Peres, 1962
Maintaining standards of performance	5	Bass, Wurster, Doll & Clair, 1953
Creative, independent	5	Wofford, 1970
Conforming	5	Triandis, 1960
Courageous, daring	4	Palmer & McCormick, 1961
Experience and activity	4	Hussein, 1969
Nurturant behaviour	4	Crannell & Mollenkopf, 1946
Maintaining informal control of the group	4	Sakoa, 1952
Mature, cultured	3	Stagner, 1962
Aloof, distant	3	Roach, 1956

Table 2 Leadership Traits (Bass and Stogdill 1990 p85)

According to Bass and Stogdill (1990), research findings into successful leadership traits emphasise activity level, rate of talk, initiative, assertiveness, aggressiveness, dominance, ascendance, emotional balance, stress tolerance, self-control, self-efficacy, enthusiasm and extroversion. Bass and Stogdill categorise leadership behaviours into three broad areas: communication, transformation and power. This trait approach continues to underline western cultural approaches to LCMs (Emiliani 2003, Morrison 2000).

Table 4 summarises the character traits identified by trait approach researchers from the 1940s to 1990s (Northouse 2001). The diversity of traits highlights the difficulty in formulating definitive leadership qualities, and thus points to the need for leadership theories to accommodate difference and ambiguity.

Stogdill (1948)	Mann (1959)	Stogdill (1974)	Lord, DeVader and Allinger (1986)	Kirkpatrick and Locke (1991)
<ol style="list-style-type: none"> <li>1. Intelligence</li> <li>2. Alertness</li> <li>3. Responsibility</li> <li>4. Initiative</li> <li>5. Persistence</li> <li>6. Self-confidence</li> <li>7. Sociability</li> </ol>	<ol style="list-style-type: none"> <li>1. Intelligence</li> <li>2. Masculinity</li> <li>3. Adjustment</li> <li>4. Dominance</li> <li>5. Extroversion</li> <li>6. Conservatism</li> </ol>	<ol style="list-style-type: none"> <li>1. Achievement</li> <li>2. Persistence</li> <li>3. Insight</li> <li>4. Initiative</li> <li>5. Self-confidence</li> <li>6. Responsibility</li> <li>7. Cooperativeness</li> <li>8. Tolerance</li> <li>9. Influence</li> <li>10. Sociability</li> </ol>	<ol style="list-style-type: none"> <li>1. Intelligence</li> <li>2. Masculinity</li> <li>3. Dominance</li> </ol>	<ol style="list-style-type: none"> <li>1. Drive</li> <li>2. Motivation</li> <li>3. Integrity</li> <li>4. Confidence</li> <li>5. Cognitive ability</li> <li>6. Task knowledge</li> </ol>

Fig. 7 Leadership Traits and Characteristics (adapted from Northouse 2001)

Northouse (2001) identifies the strengths and weaknesses of the trait approach as follows:

Strengths:

- intuitively appealing
- is backed by a century of research
- the exclusive focus on the leader has provided a deeper understanding of how individual personality underpins the leadership process, thus providing some benchmarks for analysis

Weaknesses:

- fails to produce a definitive set of leadership traits
- situations are not taken into account
- results in highly subjective determinations of the most important leadership traits
- traits are not viewed in relationship to leadership outcomes
- fails to assist leadership training and development as traits are relatively fixed psychological structures

Emergence of situational leadership and revival of trait theory

By the late 1950s, an interest in situational leadership approaches gained momentum due to the failure of trait theories to identify a conclusive single trait profile. Situational approaches proposed that individuals can be effective in certain situations but not others, and leadership was no longer defined by an abiding individual trait (Mann 1959). The concept of situational leadership will be discussed in further detail later in the chapter.

However, the trait theory of leadership was revived in the 1980s when a study by Lord, De Vader and Alliger (1986) supported the influence of character traits on leadership. The researchers argued that early trait research made several theoretical and methodological

errors, including reliance on a small sample of studies, over-emphasis on single studies, and an accent on median correlations rather than result consistency across studies. Significant advances were then made in research design methodology: these included a round robin method in which individuals exhibit consistent leadership characteristics even when confronted with task heterogeneity within diverse situations. Enhanced research methodologies complemented the previous qualitative reviews by providing a comprehensive picture of trait analysis (Arvey, Bhagat and Salas 1991, Tagger, Hackett and Saha 1999, Kickul and Neuman 2000, Judge, Bonno and Locke 2000).

In their enhanced quantitative meta-analysis, Lord, De Vader and Alliger (1986) found that traits like intelligence, extraversion, conscientiousness, masculinity-femininity and dominance were significantly related to leadership. The Five-Factor Model (FFM) first introduced in the late 1980s helped understand the relationship between personality attributes and job performance (Barrick and Mount 1991) – this also inspired the study of individual differences in trait leadership approaches. Personality psychologists soon honed their diverse findings and agreed on the ‘big five’ personality traits (McCrae and Costa 1996). These were: surgency, agreeableness, conscientiousness, emotional stability and intellect (Hogan, Curphy and Hogan 1994). Hogan et al. suggest that the big five model provides a common language for understanding the personality factors relating to leadership. In the debate on trait leadership approaches in Wilson, George and Wellins (1994), Wilson et al. summarised leader characteristics as follows:

<b>Universal Characteristics that Contribute to Outstanding Leadership</b>		
Trustworthy Just Honest Foresight Plans ahead Encouraging Positive Dynamic	Motive arouser Confidence builder Motivational Decisive Excellence-oriented Dependable Intelligent	Effective bargainer Win-win problem solver Administratively skilled Communicative Informed Coordinator Team builder
<b>Universal Characteristics that Inhibit Outstanding Leadership</b>		
Loner Asocial Non-explicit	Non-cooperative Irritable Egocentric	Ruthless Dictatorial

Fig. 8 Universal Characteristics that Contribute to Outstanding Leadership and Universal Characteristics which Inhibit Outstanding Leadership (Adapted from Wilson et al. 1994)

The persistent influence of trait leadership approaches in recent decades is evident in prolific academic and business literature devoted to visionary and charismatic leadership theories (Bennis and Nanus 1985, Bass and Stodgill 1990, Kirkpatrick and Locke 1991, Bryman

1992). This literature identified and agreed to some extent on general trait attributes. Bennis, for example, argued that traits such as visionary abilities, determination, communication and motivational abilities were fundamental to leadership (Bennis 1989b). His famous study of 90 American leaders identified and codified effective leadership and confirmed the importance of vision, meaning, trust and the deployment of self at the core of US leadership values. Many LCMs employed in US and Western businesses today are redolent of this American trait doctrine of leadership, however such ethnocentricity makes them less applicable in other cultural contexts.

The revival in the trait approach to effective leadership has not been backed by adequate empirical work, in part because measures of effectiveness are very difficult to identify and isolate (Hogan, Curphy and Hogan 1994). Schneider and Hough further highlighted this ambiguity in 1995, arguing that the inclusion of specific traits in leadership research has been generally fragmented.

#### Ongoing deficits

In particular, Zaccaro (2007) posited that trait theories are problematic as they: depend on common leader attributes and big five personality traits without taking cognitive strengths, values, communication skills, experience and so on into account; do not demarcate stable leader attributes and those attributes shaped by shifting situational influences; and fail to acknowledge how consistent leader attributes influence the behavioral diversity that drives effective leadership.

#### Values and appeal

Despite its shortcomings, the trait approach provides valuable information about leadership. It can be utilised by individuals and organisations planning ideal profiles for their managers, though it is recommended that trait theories be incorporated within a unified leadership approach - traits, behaviours, relationship and situation (Harung, Heato and Alexander 1995). Though the GLOBE project (House, Hanges et al. 2004) and others have debated the validity of universal leadership traits, if used discerningly they can help highlight favourable and less favourable leadership personalities. The trait approach can also help increase personal awareness and development, allowing emerging leaders to analyse their strengths and weaknesses and better understand how they can improve their leadership behaviour.

#### *Today's needs*

As more sophisticated notions of leadership emerge eschewing great men theories, the trait theory, as a standalone approach, has lost relevance today. Great men may be required in



some leadership circumstances (Dearlove and Coomber 2005); however the challenge of defining universal leadership traits increase exponentially when conducted in culturally complex multinational environments (Hofstede 1991, House et al. 2004, Trompenaars and Woolliams 2007).

As the most recent empirical research in global leadership behaviours, the GLOBE project (2004) argues that the quest to identify universal traits fails to account for cultural contingency. In the face of increasing complexities caused by the diversity of global markets, MNCs will endeavour to establish commonalities across regions when developing leadership models (Accenture 2007). But such models will be less effective if based on universal traits and behaviours rather than the situational and relational realities of contemporary global leadership.

## **2.5 Behaviour and style theories**

Another important research area focuses on leadership behaviours as opposed to leadership traits (Halpin and Winer 1957, Hemphill and Coons 1957). These studies observed leaders within organisations, identifying leadership behaviours that contribute to company performance. Behavioural approach researchers argued that leadership is not necessarily innate but can be learnt (Saal and Knight 1988). The nurture versus nature approach has underlined a plethora of leadership development instruments and programmes designed to equip leaders with the skills and competences to achieve desired business results.

The behavioural approach is especially relevant to this study as desired behaviours and competencies identified by HR management and focus groups feature greatly in LCMs. As will be discussed in detail in Chapter 3, competency based leadership models deluged the HR management community in the 1990s. A majority of (Western) MNCs expended considerable energy and resources identifying company-specific leadership behaviours and competencies that can be applied universally. Unfortunately, however, the methodologies used to develop company-specific models have fallen short of the classification standards established in the academic community (Morrison 2000).

Behavioural approach research differentiates leadership behaviours broadly into task and relationship behaviours. The Michigan and Ohio State University studies in the late 1940s defined two primary independent leadership factors - consideration and initiation of structure (Stogdill 1948, 1974) – that separated behaviours into employee and production orientation (Bowers and Seashore 1966). Identifying behaviours that differentiated leaders from

followers, these researchers broadened management focus to include both people-oriented and task-oriented activities.

Blake, Shepard and Mouton (1964) developed a two-factor model of leadership behaviour concerning people and output - a third variable, flexibility, was later added – that echoed the Ohio State and Michigan model and helped categorise leaders based on their behaviour. Blake and Mouton (1968) also explored how managers used task and relationship behaviours in organisational settings. This was a response to numerous studies in the 1950s and 1960s seeking to determine how leaders best combine task and relationship behaviours to improve leadership efficiency. The researchers were looking for a universal theory of leadership to explain leadership effectiveness in every situation; however, according to Yukl (1989), the results were contradictory and unclear. A universal behavioural theory of leadership is no more attainable today.

The Managerial Grid conceptualised by Blake and Mouton in the early 1960s is one of the best-known models of style-based leadership. Refined and revised several times since its initial introduction (Blake, Shephard and Mouton 1964, 1978, Blake and McCause 1991), the Grid plots the degree of task versus person centeredness, and identifies five combinations as distinct management or leadership styles. As shown in the model graphic below, the horizontal axis represents leader concern for production, the vertical axis a concern for people. By plotting scores from each of the axes, various leadership styles are portrayed, including:

- Country Club Management
- Impoverished Management
- Middle of the Road Management
- Authority Compliance (Produce or Perish Management)
- Team Management

Country Club Management reflects high people concerns and low production emphasis. Here leadership behaviours exhibit a strong relational orientation, while performance orientation is less explicit. Authority Compliance Management reflects high production concerns and low people emphasis, making leadership behaviours highly task orientated and authoritarian. Impoverished Management is largely ineffective, it is argued, due to a low production and low people emphasis. Middle-of-the-Road Management reflects medium production and medium people concerns, while associated behaviours attempt to balance the two dichotomies.

Team Management exhibits high production and high people scores and, according to the Blake Mouton model, is the ideal managerial style. Associated leadership behaviours emphasize equally high production and people needs, while high satisfaction, motivation and production are also achieved (Blake, Shephard and Mouton 1964, Blake and McCanse 1991).

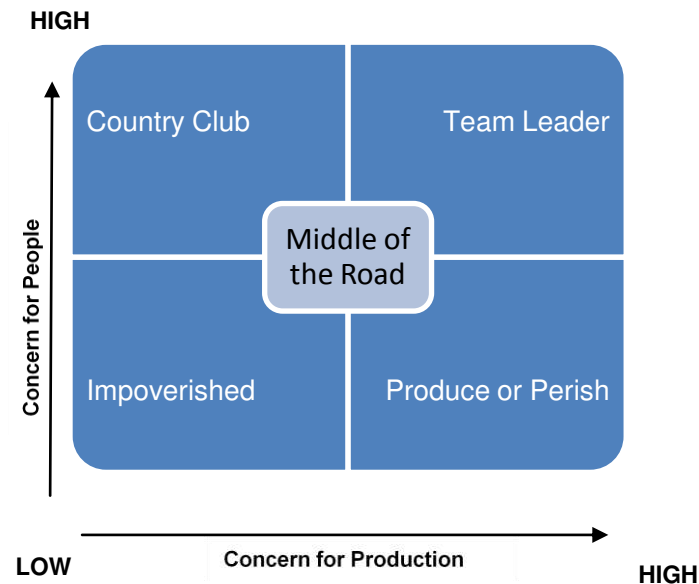


Fig. 9 Blake-Mouton Managerial Grid (1968)

The behavioural leadership approach is not a refined or systematic theory, but a flexible framework for appraising leadership behaviours. Such ambiguous behavioural indicators are rarely universally actionable, and fail to identify a universal leadership style (Bryman 1992, Yukl 1994, Emiliani 2003) - this partly explains the lack of codified leadership dimensions in LCMs. So too, the number of descriptive articles and books published on leadership style and approach – many with ill-defined methodologies - has come at the expense of systematic primary studies (Morrison 2000, Emiliani 2003).

While the behavioural and style theories have broadened the scope of leadership research from a focus on leadership traits, there has been a paucity of findings on the relationship between leadership behaviours and performance outcomes (Bryman 1992, Yukl 1994). The Management Grid has been further criticised for implying that the most effective leadership style is the high task and high relationship style (Blake and McCanse 1991), though research findings provide only limited support for a universal high-high style (Yukl 1994). However, despite its weaknesses, the behavioural approach continues to be applied in leadership development programmes due to a perceived ease of categorisation.

## 2.6 Relational leadership

Assuming that the essence of leadership is influence (van Knippenberg et al. 2005), leadership can be broadly defined as the art of mobilising others to struggle for shared aspirations (Kouzes and Posner 1996). Leadership is most often perceived as a process of influence between a leader and followers to attain group, organisational or societal goals (Hollander 1985). Relational leadership refers to the type of relationship that exists between two partners: leaders and followers. Likewise, such exchange relationships have been classified into two types: economic and social (Homans and Blau 2005). Two main types of relational leadership have been identified in the literature: transactional and transformational.

### Transformational and transactional leadership

Transformational leadership refers to the process in which an individual engages with others and creates a connection that raises the level of motivation and morale in both the leader and followers. Transformational leaders try to understand the motivation and higher needs that drive followers, thus engaging in a mutually stimulating relationship. By contrast, transactional leadership focuses on the unambiguous exchanges between the leader and followers, an exchange of value that is mutually beneficial. This may be psychological, political or economic in nature. To summarise, the social exchange underlining transformational leadership is based on an implicit agreement covering non-specific obligations between two parties; while the economic exchange underlining transactional leadership is based on an explicit agreement between two parties.

While transformational and transactional leadership approaches are often polarised, both are relational leadership theories. When distinguishing between these two leadership styles, James MacGregor Burns' pioneering leadership study argued that the type of partnership a leader is able to create determines the quality of a collaborator's behaviours. In one of the most significant advances in modern leadership studies, Burns highlighted the fundamental importance of relational leadership, describing "leaders inducing followers to act for certain goals that represent the values and the motivations – the wants and the needs, the aspirations and expectations - of both leaders and followers" (Burns 1978 in Dearlove and Coomber 2005 p54).

Burns thus argues that transformational leadership inspires followers to accomplish great challenges. Transformational leaders understand and adapt to the needs and motives of the followers. They are change agents and role-models, helping followers reach their fullest potential, a point also made by House (1976) in his study of charismatic and visionary leadership. Meanwhile, Drucker argued that transformational leadership emerged as

organisations sought a more strategic and charismatic form of leadership during a period of broader global transformation (Drucker 1993 p3).

Bass (1990) elaborated, then modified the differences between transformational and transactional leadership. He defined the transactional leader as one who recognises what followers want from their work. This leader fulfils the follower’s desire if performance warrants it; exchanges (promises of) rewards for appropriate levels of effort; and responds to followers’ self interests if they are achieving targets. Transactional leaders thus pursue a “cost-benefit” economic exchange with followers. In this relationship, followers’ material and psychological needs are satisfied in return for expected work performance. Figure 10 illustrates the differences between transformational and transactional leadership (Bass and Avolio 1990, Northouse 2001).

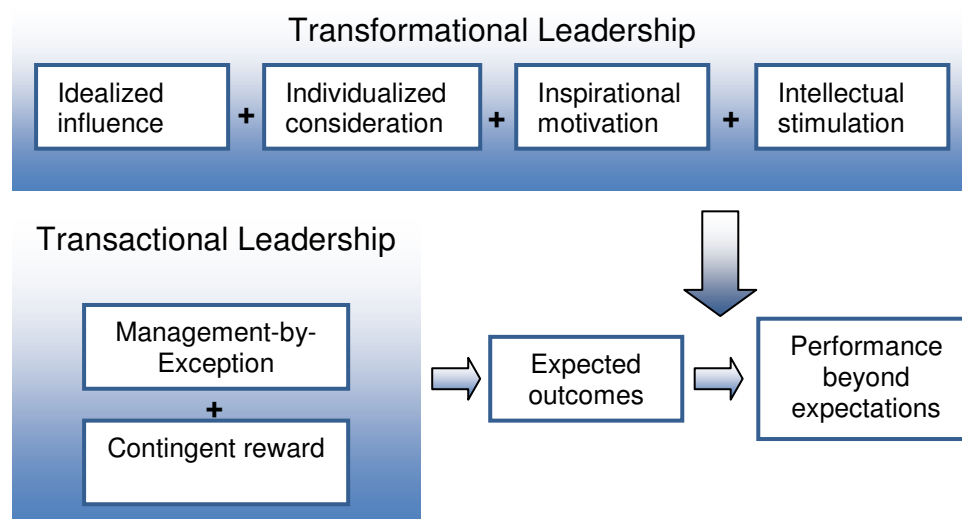


Fig. 10 Transformational and Transactional Leadership (Adapted from Bass and Avolio 1990 and Northouse 2001)

Bass (1990) highlights the differences between transactional and transformational leadership as follows:

#### Transformational leader

- Idealised influence – stems from the moral and ethical standards of the leader, the leader acts as a role model, provides vision and sense of mission, instils pride, gains respect and trust
- Inspirational motivation – spurs followers to undertake shared goals. The leader communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways

- Intellectual stimulation – encourages independent thinking, promotes intelligence, rationality, and careful problem solving
- Individualised consideration – coaches, advises, gives individual attention to followers/employees

#### Transactional leader

- Contingent Reward – contracts exchange of rewards for effort, promises rewards for good performance, recognises accomplishments
- Management by Exception (active) – watches and searches for deviations from rules and standards, takes corrective action
- Management by Exception (passive) – intervenes only if standards are not met
- Laissez-Faire – abdicates responsibilities, avoids making decisions

Yukl (1989) proposed the following guidelines for transformational leadership behaviours:

- Articulate a clear and compelling vision - transformation, communication
- Explain how the vision can be attained - transformation, communication
- Act confidently and optimistically - trust, transformation
- Express confidence in followers - power
- Use dramatic, symbolic actions to emphasise key values - communication
- Lead by example - empathy
- Empower people to achieve the vision - power

Most modern, Western-based leadership theory has roots in the work of Burns and Bass, who reworked the whole field of leadership by shifting the focus from traits to relationships.

Driven by US business values that dominate modern leadership literature, transformational leadership has long been a template for leaders in international businesses – sometimes to the detriment of a nuanced, situational, cross-cultural approach. As Dearlove and Crainer extol:

Transformational leadership remains fundamental to leadership studies and continues to define best practices in terms of effecting organisational change. Inspirational leadership, visionary leadership, transformational leadership and emotional intelligence are all linked ... Transformational leadership is crucial for leading change today (Dearlove and Crainer 2005 p3).

## 2.7 Contingency theory

While transformational leadership presumes that a charismatic leadership style can transform any situation, F.E. Fiedler's contingency model (1967) argued that leadership competence depends on the ability to adjust to varied contexts and situations. The subsequent development of contingency theories - based in part on trait and behaviour theories - have inspired a more intricate analysis of leaders and the situations they face. To achieve optimum results, leaders must also factor in the situation and characteristics of followers, meaning a leader can be appointed to a situation best fitting his/her leadership style; or the situation can be changed to best match the leader. This contingency or situational leadership concept inspired a more realistic view of leadership by acknowledging that leaders can adapt to diverse situations (Saal and Knight 1988).

Fiedler based his contingency thesis on extensive studies of military leadership styles. His concept of situational favourability, also known as the 'ease of influencing followers', is the combination of leader-member relations, task structure and position power. Fiedler established eight classifications of situational favourability, arguing that particular leadership styles best serve specific situations. While the relative simplicity of the theory raises questions about its applicability, it still inspired discussion and research about the need to match leaders and situations to best utilise a leader's individual style. Fiedler identified three major situational variables that determine which situations are advantageous for leaders:

- leader-member relationship (good or poor); liked and respected leaders are more likely to have the support of others
- task structure (high or low); leadership influence is enhanced by clearly defined tasks as to goals, methods and standards of performance
- position power (strong or weak); if power is bestowed upon a leader in order to achieve a goal, this may enhance the influence of the leader (Fiedler and Garcia 1987, Fiedler 1997)

These three variables determine the relative "favourables" of various situations within an organisation. Most favourable situations inspire good leader-follower relations, defined tasks, and strong leader position power; least favourable situations inspire poor leader-follower relations and so on. According to this model, eight possible combinations may occur, and Fiedler wanted to find the most effective leadership style (task oriented or relationship oriented) for each of the eight situations. He argues that:

- task-oriented leaders usually perform best in group situations that are either very favourable or very unfavourable to the leader
- relationship oriented leaders usually perform best in situations that are intermediate in favourables.

Northouse (2001) analysed contingency theory, arguing that its strengths include: ample empirical research to back the theory; the effect of situations on leadership is now more widely acknowledged; it is a prognostic theory that offers useful information on the type of leadership that will most likely be effective in particular contexts; and organisations that are developing leadership profiles can utilise data on individual leaders' styles. Weaknesses include: the theory does show why some leadership styles are more effective in certain situations than in others; the model's leadership scale is open to criticism; the theory is difficult to apply; it does not show organisations how to act in case of a mismatch between leader and workplace situation.

The contingency theory has altered leadership research by giving situational context to the study of leadership competencies, and ensuring the importance of matching leadership style and situational demands. As will be outlined in the coming chapters, an appreciation of situational context is fundamental to developing effective leadership competencies in cross-global, cross-cultural environments.

## **2.8 Situational leadership**

Since the introduction of Fiedler's contingency theory, extensive consideration has been given to the idea of situation or context in ideas of leadership. Referred to as situational leadership in more recent leadership literature, this contingency concept of leadership is widely appropriated by management today since it is recognised that leadership is specific to its milieu. Thus, as outlined by Hersey and Blanchard (1969), different situations and contexts require different styles of leader.

The base for the Hersey and Blanchard model was Reddin's (1967) 3-D management style theory, which first introduced an 'effectiveness dimension' (the third dimension) to leadership theory, meaning that various leader styles may be effective or ineffective in any given situation, and leaders need to find an appropriate strategy for their respective circumstance. This recognition that context heavily influences leader effectiveness inspired a popular new era in leadership theory in the 1970s and 1980s.



The four leadership styles detailed in the situational leadership model are: telling, selling, participating and delegating. According to Hersey and Blanchard (1982), these different leadership styles can be used to master various situations:

- Telling (high task/low relationship behaviour) gives followers clear direction since defining roles and goals are essential. It is most effective when dealing with new staff, where the work is menial or repetitive, or if problems need to be solved very fast. The followers' level of initiative and accountability are comparatively low.
- Selling (high task/high relationship behaviour) means the leader is responsible for giving directions, and followers are motivated to buy into the task. It is a coaching approach often applied when followers are willing and motivated but not mature or able enough.
- Participating (high relationship/low task behaviour) makes both leaders and followers the decision-makers. Leaders communicate and facilitate, giving high support and low direction – a practicable approach when dealing with unwilling or insecure followers of moderate to high maturity.
- Delegating (low relationship/low task behaviour) requires the leader to identify the issue, but the followers carry out the response. High levels of competence, maturity and motivation are thus demanded of followers.

Since its introduction in the 1960s, the situational leadership model has been constantly refined and revised (Hersey and Blanchard 1982, Blanchard, Zigarmi and Zigarmi 1991), and it remains a mainstay of leadership theory. Northouse (2001) describes the strengths of situational leadership as:

- it is well known, frequently used and thoroughly tested
- it is practical, as well as based on faultless theories
- it is prescriptive: it shows leaders what to do or not to do in various situations
- it stresses the concept of leader flexibility
- it points out that each follower must be treated differently depending on the task at hand, and that it is essential to find opportunities to develop followers

Northouse (2001) argues that the theory also has its weaknesses:

- only very few research studies have been carried out to legitimatise the assumptions of the approach

- the idea of the followers' readiness or development level may be considered implicit
- the conceptualisation of the commitment was criticised
- it may prove difficult to coordinate leader style and followers' readiness level
- one-to-one and group leadership are not discerned sufficiently
- the model's leadership questionnaires have been subject to criticism

In Western businesses, particularly in the US, the situational leadership model is often used to train and develop leaders since it is easy to map out and easy to implement. It is also a key facet of many coaching programmes. Critics of the situational leadership model argue that it is predominantly North America in character and lacks gender sensitivity. Bolman and Deal (1997) argue that Hersey and Blanchard focus mainly on relationships between managers and immediate subordinates, and say little about issues of structure, politics or symbols. However, proponents argue the model is practical and can be utilised in almost any kind of organisation, at any level, and for a wide range of tasks.

It should be noted that the concept was developed in the 1960s and 1970s, a time when leadership was male dominated in one-to-one relationships, and the leader and subordinate were mainly co-located (Dearlove and Coomber 2005). It has been argued that the early situational theories of leadership are impoverished and only focus on tasks and relationships. "There are so many other dimensions to a leadership situation than those which so called situational theories look at" (Dearlove and Coomber 2005 p54). It will be the purpose of this study to explore such other dimensions when formulating a thesis for LCMs that will remain relevant in diverse cultural contexts.

## **2.9 Unified leadership**

The unified theory of leadership is another situational and relational model premised on a leader's interaction with, and adaption to, diverse stakeholders and conditions (Alexander 2009). Proponents of the unified approach purport that leaders are effective because they are innately suited to organisational conditions and their stakeholders; or because they see what is necessary and modify their behaviour to suit the situation. Recognising the uniqueness of the individual, the situation and the follower is fundamental to the efficacy of the leadership process (Gardener 1990). This is why leaders fail in some situations and succeed in others; and why successful leaders become unsuccessful with time, and unsuccessful leaders reap success in new contexts. Effective leaders emerge when their capabilities fit the conditions in

which they operate and the stakeholders they propose to influence. Leadership, more than ever today, is a continuously dynamic process within a dynamic environment.

Values and ideas inspiring the unified leadership theory are summarised in Figure 11.

Leadership is charisma and style. It's mystical and intangible. It's an art.	Leaders lead from the front. They lead by example.
Leadership is logical and rational. It's a science.	Leaders lead by directing others from a strategic vantage point.
Leadership is inborn, innate, instinctive, not learned or developed. It's a talent.	Leaders are loners.
Leaders are created by their life experiences, education, and training. Leadership is learned. It's a skill.	Leaders are collaborators and team players.
Leaders lead through power, fear and greed.	Leaders are creative, imaginative, flexible and opportunistic. They take the course that has the best chance of success.

Fig. 11 Values and Ideas Inspiring the Unified Leadership Theory (Adapted from Gardner 1990)

The unified theory of leadership posits that each individual leadership proposition may be valid in particular contexts and with specific stakeholder groups; none, however, can stand alone as a universal truth.

While the individual approaches embraced by the unified theory of leadership are not new, the specific theory itself is not supported by any rigorous academic research. Yet the theory intersects with other strands of leadership research that similarly argue that leadership in today's complex global environment cannot be viewed universally (Hofstede 1991, House et al. 2004, Trompenaars and Woolliams 2007), and that leader development programmes need to combine diverse individual approaches to ensure a best leadership fit for the context, the stakeholders, the relationship and the leader themselves.

## 2.10 Emotional intelligence

Emerging concepts of emotional intelligence (EI) have illuminated the relationship between dispositional characteristics, leadership and outcomes (Cherniss 2000, Bonno and Judge 2004). Salovey and Mayer originally defined EI as a leader's ability to utilise emotions in problem solving and decision-making (Salovey and Mayer 1990). While Salovey and Mayer (1990) provided the first modern definition of EI, Goleman (1995) firmly established the concept as a management theory. Goleman, Boyatzis and McKee (2002) claim that good

leaders are effective because they create ‘resonance’. Primal leadership operates through emotionally intelligent leaders, while effective leaders are attuned to other people’s feelings, moving them in a positive emotional direction. EI competencies are learned and not innate, and are described by Goleman (1995) as follows:

Self-Awareness	Self-Management	Social-Awareness	Relationship Management
emotional self-awareness	self-control	empathy	inspiration
accurate self-assessment	transparency	organisational awareness	influence
self-confidence	adaptability	service	developing others
	achievement		change catalyst
	initiative		conflict management
	optimism		teamwork and collaboration

Table 3 Emotional Intelligence (Adapted from Goleman 1995)

Over the last decade, two distinctly different but related models have defined EI theories: the ‘ability model’, combining emotion with intelligence; and a ‘mixed model’, combining traits with social behaviours and competencies (Ciarrochi, Forgas and Mayar 2001). Largely inspired by Bar-On’s EI model developed in 1997 (Bar-On and Parker 2000), the mixed model concludes that emotional and social intelligence is a multi-dimensional complex of emotional, personal and social abilities that influences our overall ability to actively and effectively cope with daily demands and pressures. The notion that strong EI is associated with leadership performance is a recurring theme in the work of Goleman (1995), who argues that resonance can be formed in six ways, leading to six leadership styles as outlined in Table 4.

	Visionary	Coaching	Affiliative	Democratic	Pacesetter	Commanding
Leader characteristics	Inspires, believes in own vision, empathetic, explains how and why people's efforts contribute to the 'dream'	Listens, helps people identifying their own strengths and weaknesses, counsellor, encourages, delegates	Promotes harmony, nice, empathetic, boosts moral, solves conflicts	Superb listener, team worker, collaborator, influencer	Strong drive to achieve, high own standards, initiative, low on empathy and collaboration, impatient, micromanaging, numbers-driven	Commanding, "do it because I say so", threatening, tight control, monitoring studiously, creating dissonance, contaminates everyone's mood, drives away talent
How style builds resonance	Move people towards shared dreams	Connects what a person wants with the organization's goals	Creates harmony by connecting people to each other	Values people's input and gets commitment through participation	Meets challenging and exciting goals	Soothes fear by giving clear direction in an emergency
Impact style on (business) climate	+++	++	+	+	when used too exclusively or poorly	+
When style is appropriate	When changes require a new vision, or when a clear direction is needed, radical change	To help competent, motivated employees improve performance by building long-term capabilities	To heal rifts in a team, motivate during stressful times, or strengthen connections	To build buy-in or consensus, or to get valuable input from employees	To get high-quality results from a motivated and competent team. Sales	In a crisis, to kick-start an urgent turnaround, or with problem employees. Traditional military

Table 4 Creating Resonance (Adapted from Goleman, Boyatzis and McKee 2002)

Goleman's contention that EI is at least twice as important to organisational outcomes as cognitive intelligence or technical skill has attracted considerable, albeit empirically unsupported, attention (Cherniss 2000). Having conducted reviews of the basic assumptions of EI research, Mathews, Zeidner and Roberts (2009) conclude that the concept is more myth than science while concurring that myths do often stimulate scientific research.

Brown et al. (Brown and Moshavi 2005, Brown, Bryant and Reilly 2006) argue that EI might hold promise for improving our understanding of organisational behaviour generally, and transformational leadership in particular. For the purposes of this study, EI is indicative of the transformational leadership theories that continue to dominate the field, and which, as will be shown, tend to inform the leadership competencies outlined in the three universal models under investigation.

## 2.11 Shared leadership

Most leadership theories assume that leadership resides in one individual who may act within or outside a team. Drath and Paulus (1994) departed from this focus on individual leadership

by suggesting that all actors participate in the process of leadership. This radical shift required new research into the behaviours and capacities that define leadership as a “social meaning-making process”. Leadership is not merely the action of a charismatic individual but is imminent in organisational culture, a process requiring coordination and moving together as a group. Bennis and Nanus (1985) support the idea of a leadership group comprised of individuals who practise self-leadership.

Bennis and Townsend (1997) describe how contemporary organisations are shifting from the concept of individual leaders to leadership groups whose members exhibit high individual accountability. For self-leadership to be effective, Drath and Paulus (1994) contemplate how organisational members make sense of themselves and the world around them. People in organisational teams need to share and develop a self-reflexive understanding of their group, its aims, processes and objectives. This is the foundation from which people interpret, anticipate and plan. Leadership thus requires group-wide participation so that all members are engaged in organisational goals and processes (Drath and Paulus 1994, Lipnack and Stamps 2008).

In today’s global organisational environment, this may be the most appropriate way to view leadership in organisations. Organisational teams today operate and communicate globally, and virtually. Hierarchies are flatter, and although there is usually one formal team leader, he or she inevitably works remotely from other team members. Responsibility for controlling and monitoring team activities is no longer the remit of the team leader alone and team members today complete tasks - work scheduling, evaluating performance against goals or standards - once reserved for leaders or managers.

Thus there is a strong need for self management: that is, monitoring performance rests with individuals who then report into group processes and ensure compliance with the objectives set for the team. Leadership in distributed teams is completely different to leadership with co-located teams (Duarte and Snyder 2006, Avolio, Walumbwa and Weber 2009). Virtual meetings have largely replaced presence meetings and social interactions are usually limited to once or twice a year. Web-based communication has largely replaced personal contact, while virtual teams are complex entities that rely on technology to balance a lack of personal interaction. Leaders thus have to learn new competences that reassess the meaning of leadership in a virtual environment, finding ways to cohere remote teams from diverse backgrounds (Duarte and Snyder 2006, Avolio, Walumbwa and Weber 2009).

Today’s global and remote leadership ‘context’, symptomatic of more decentralised organisational structures and corporate cultures, has made self-leadership a fundamental

employee attribute. Leadership and decision-making thus tends to be made between individuals in teams rather than by individual leaders from above (Bednarek 1990, Dumaine 1990, Avolio, Walumbwa and Weber 2009). Leadership scholars therefore need to address the concept of organisations working without managerial hierarchies, or formal leaders, instead promoting a more collaborative, involved workforce. There is now a great need to research the role and function of leadership within globally dispersed teams. However the trend towards distributed accountability does not mean that leadership has become redundant; it simply implies that leaders take on new and different responsibilities, such as facilitation, coaching and managing relations outside the group (Fisher 2000).

According to Wilson, George and Wellins (1994), there is still a need for leaders to drive the success of distributed teams: however the methods used depart from traditional leadership methods based on authoritarian, centralised control and command-style management. Through collaboration, openness, and the creation of shared meaning, leaders can elicit the commitment of others and guide the work process, allowing members to expand their skills and contributions to the organisation more broadly (Hackmann 1987).

The concept of leading and managing distributed teams is a huge challenge for team members, leaders and organisations today. As Bass and Stogdill (1990) and Lappas (1996) point out, the challenge is also semantic since the terms ‘team’ and ‘leadership’ are among the most used and misunderstood taxonomies in current management literature and discussion.

However, this challenge is a logical next step in the development of globalised organisations. According to Millikin (1994), the rise of self-managed work teams raises questions about effective leadership style, authority, and power within modern organisations. Formal leaders may only be nominally involved in the activities of the team, while real leadership may be rotated among some or all team members over time. Leadership responsibility may be rotated among team members, or informal leaders may “simply emerge from within the boundaries of the team” (Wilson, George and Wellins 1994).

The concept of self-management has received considerable attention in leadership literature in the past decade (Kirkmann and Rosen 1999, O’Toole and Lawler 2006, Heskett 2006). It is a sign that the leader-follower relationship can no longer be demarcated along clear lines if organisations hope to understand their businesses, locations and markets. As Fisher (2000) explains, individuals responsible for managing employees organised into self-managed teams need different leadership skills from those used by traditional managers. Significant changes in trait-based behaviours are required, for example, but these remain to be defined, due in part

to an ongoing lack of empirical research into effective leadership behaviours among teams (Nygreen and Levine 1995).

A high level of distributed leadership and discretionary accountability require that innovation, creativity and individual initiative are the traits specified in leadership models – which will supersede notions of right behaviour in right situations, as contingency theories suggest. Prescriptions, policies, and procedures no longer exist to facilitate decisions in every situation. Situational leadership is required not only of formal leaders but of individually empowered team members. By combining past research with current trends and methods, team leadership is likely to become consistent, modifiable and valuable in organisations. Moreover, the concept of shared leadership and individual accountability will be pivotal to the forthcoming analysis of multinational LCMs in Chapter 3.

## **2.12 Chapter summary**

This chapter has highlighted the depth, division and diversity of leadership scholarship over the last century – and thus, for the purposes of this study, the difficulty in deriving a clear, unambiguous definition of universal leadership competencies from the existing literature.

The analysis shows how some leadership theories gained primacy in the literature but were soon subordinated by concepts better adapted to a rapidly shifting organisational and leadership context. Thus traditional or classical leadership theories shifted initially from the trait approach, focusing on the innate personality of the leader, to behavioural or style theory, focusing on learnt leadership roles, task or people-oriented behaviours, and transformational and transactional leadership, to situational leadership, which looked beyond traits to the way leadership is defined by its changing situational context. Needs and motivation theories again shifted emphasis from the traits and behaviours of leaders to those of followers, and thus the particular skills and motivations of the people being led.

More recently, unified leadership and shared leadership have attempted to better understand contemporary network- and team-based organisations within which distributed leadership and self-leadership is practised. With shared leadership, associated ideas of discretionary accountability have meant that innovation, ingenuity and initiative – also espoused as part of EI leadership theory – are becoming key leadership competencies in more diversified global organisations.



This amalgam of leadership theories and ideas will help guide the exploration of cross-cultural leadership in the following chapter, and thus help to examine the central thesis of this study, that leadership is culturally contingent.

## **CHAPTER 3**

### **Literature review: Cross-cultural leadership**

#### **3.1 Introduction to chapter**

In a survey of Fortune 500 firms, having competent global leaders was rated as the most important factor for business success. In the same survey, 85% of executives stated that they do not think they have an adequate number of global leaders and more than 65% believe that their existing leaders need additional skills and knowledge before they can meet or exceed the challenge of global leadership (Gregersen, Morrison, Black 1998 cited in House 2004 p5).

The previous chapter reviewed a large cross-section of existing leadership theories and studies, and contemplated the relevance of such theories for the formulation of leadership competencies that will equip leaders to operate in complex, cross-cultural environments. From classical or trait-based leadership approaches, to behavioural theories, situational leadership, needs and motivation theories, and the more discretionary modes of shared leadership, it was shown that situational and relational contingencies have increasingly been addressed in the literature, but that persistent behavioural and trait approaches continue to presume a mono-cultural leadership environment.

The task of this chapter is to contemplate a theory of global leadership that satisfies the central thesis of this study: that national, and organisational, culture impacts on the transfer of leadership models, and therefore, that leadership is culturally contingent. Thus, while leadership models attempt to streamline corporate culture, goals and strategies globally, such models often presume a mono-cultural organisational environment, and fail to appreciate the multivalent behaviours that reflect specific cultural values and meanings. This has commonly been due to the dominance of North American business models that fail to accommodate the rapid rise of Asia, Europe and the Middle East on the global economic stage (Hofstede 1993, House 1995, Yukl 1998, Morrison 2000, Trompenaars and Woolliams 2007).

Global business is growing at an unprecedented rate - in 2006 foreign sales by MNCs exceeded US\$7 trillion, growing 20 to 30 percent faster than domestic sales (Javidan et al. 2006). At such a time of rapid business globalisation, when leaders in MNCs operate in diverse international environments, it is vital to distinguish leadership competencies in global as opposed to mono-cultural environments. The goal of this chapter is to identify how leaders can move from one-dimensional to cross-cultural models of global leadership to encourage more fluid and contextualised international business operations.

Despite a recent proliferation of leadership scholarship, definitions of global leadership remain highly ambiguous (Den Hartog et al. 1999, House et al. 2004, Javidan et al. 2004). This is an endemic problem when researching in complex, cross-cultural environments, and there will be no magic bullets or perfect fixes. What is required, however, is an ongoing questioning and critique of cross-cultural leadership practices informed by research into the specific leadership requirements of different cultural groups (Bass 1990, Yukl 2002).

Contemporary MNCs are motivated to develop and enact policies and instruments such as universal LCMs across regions to foster common corporate culture and drive the global success of the enterprise. In Accenture's 2007 annual survey identifying global business priorities and major leader concerns, 900 executives from the world's largest companies based across the US, UK, Italy, France, Germany, Spain, Japan, China etc., were asked to identify the biggest challenge to building global enterprises. 49 percent identified the "ability to maintain a common corporate culture." This figure increases exponentially when combined with the 44 percent of respondents who cited understanding local customs and ways of doing business as their biggest challenge. Only 55 percent of the executives surveyed believed their organisation was currently able to develop leaders with the aptitude and skills to adapt to rapid change and new learning (Accenture 2007).

In view of the multitude of national cultural standards involved, and the complex demands of a global virtual environment on today's leaders (Hofstede 1991, Schneider and Barsoux 1997, Schein 2004, House et al. 2004, Duarte and Snyder 2006), organisations struggle to implement and manage streamlined leadership competencies. With inadequate global leadership capabilities, US organisations, for example, need to develop LCMs that firstly recognise cultural contingency (House et al. 2004), and also "include a perspective that transfers to modern global business and international leaders" (Trompenaars and Woolliams 2007 p1).

In an effort to explore leadership in a multinational environment, this chapter will focus on the following issues:

1. Leadership: a universal or culturally contingent phenomenon?
2. What leaders need to know about culture
3. How culture affects leadership
4. Organisational culture and leadership
5. Global leadership

To ascertain the competencies inherent in global leadership, it is important to firstly define the latter phenomenon. Mobley and Dorfman (2003 cited in House and Javidan 2004) suggest

that the neologism 'global leader' – reflecting the growing importance of the global economy - can be defined as “influence across national and country boundaries” (p15). Thus according to House and Javidan (2004), global leaders influence others to help accomplish group or organisational objectives across regions.

The GLOBE project research defines leadership as “the ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organizations of which they are members” (House and Javidan 2004 p15). When applied within a global environment, this definition becomes infinitely more complex. According to Dahl (2006), insights from intercultural studies are becoming increasingly important in global business management. However, despite the rising use of intercultural intelligence in MNCs, few educators utilise empirical cross-cultural research to shape leadership requirements in the international environment (Dahl 2006).

In response, this chapter seeks to discover how cultural variances in global leadership have been presented and interpreted within existing theories and research; it also aims to look beyond the dominant behavioural approach to global leadership by framing a more profound concept of cross-cultural leadership competence. For clarity of purpose, the GLOBE project definition of culture will be a touchstone throughout this chapter. Culture is thus defined as the “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences, of members of collectives that are transmitted across generations” (House and Javidan 2004 p15).

### **3.2 Leadership: A universal or culturally contingent phenomenon?**

While leadership research and literature diverges sharply on the issue of universality versus cultural contingency (Carl and Javidan 2001), the GLOBE project asserts that there are arguments to support both views of leadership in global organisations (House et al. 2004). In accordance with a number of cross-cultural leadership researchers, the GLOBE project recognises that global leaders can help MNCs implement universal objectives, but only once they learn to transcend national cultural boundaries, reconcile dilemmas, and practise diversity and inclusiveness (Schneider and Barsoux 1997, House et al. 2004, Javidan et al. 2006, Trompenaars and Woolliams 2007). This recognition of cultural contingency requires flexible leadership structures and processes, including LCMs (Beechler et al. 2004b).

As a recognition of the need to define such flexible structures, and better understand cultural contingency, the GLOBE project embarked on a ten-year (1994-2004) cross-cultural research programme in 62 countries using 170 international researchers. The project's objective was to

conceptualise, operationalise, test and validate a cross-level integrated theory of the relationship between cultural and organisational leadership effectiveness (House et al. 2004). As the GLOBE researchers stated: “The increasing connection among countries and the globalisation of corporations does not mean that cultural differences are disappearing or diminishing ... When cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify” (House 2004 p5).

This focus on the need for flexibility and contingency in the face of globalised diversity has, however, been countered by a push for more uniform, universal leadership practices.

### **3.2.1 Leadership as a universal phenomenon**

While the GLOBE researchers argue that leadership can be both culturally contingent and universal, some researchers and theorists have argued that leadership is universal, irrespective of culture. While recognising inevitable differences across cultures, they contend that management practices and structures are harmonised by global technologies, institutions, and common industrial logic (Carl and Javidan 2001). Promoters of universal leadership also argue that increasing standardisation and globalisation across organisations encourages cultural congruence; and that circumstances such as organisational size, and technological and strategic competence, will likely have a more direct impact on leadership than culture (Kerr 1983).

Bass supports the idea of leadership as universal phenomenon, arguing that leaders fulfil a basic social function, and that people in complex organisations have an inherent interest in creating leaders (Bass 1997, 1990, Peterson and Hunt 1997). Bass (1997 p65) further posits that three components of transformational leadership are near universal: charisma; the intellectual stimulation of followers; and individualised consideration towards followers.

Universality versus contingency is endemic in the contemporary schism over the relative levels of cultural divergence and convergence in a globalised economy. Divergence theorists argue that countries tend to maintain their differences and idiosyncratic behaviours amid greater globalisation; while convergence advocates believe that globalisation is resulting in greater standardisation across regions. The GLOBE project researchers entered this debate, arguing that convergence had made transformational leadership a universal standard, yet also noted a concurrent divergence of values in global organisations.

The GLOBE project researchers identified 112 universally endorsed behavioural and attribute descriptors said to either facilitate or impede outstanding leadership. Specific attributes associated with charismatic/transformational leadership, for instance, include trustworthiness,

honesty and planning ahead (GLOBE 2004). Thus, the tendency to focus on cultural differences in multinational settings neglects the fact that some views are shared across culture cluster borders.

Den Hartog and House et al. (2002) acknowledge that universal behaviours might be expressed very differently across cultures: "... universal endorsement of an attribute does not preclude cultural differences in the enactment of such an attribute" (Den Hartog and House 2002 p233). This point will be explored in the forthcoming analysis of LCMs in which individualistic behaviours and performance orientation dimensions were articulated differently in the Anglo and Germanic clusters.

### **3.2.2 Leadership as a culturally contingent phenomenon**

After a decade of research, the GLOBE project researchers agreed that the importance and value of leadership varies across cultures, and therefore, that leadership is culturally contingent (Den Hartog and House 2002, House et al. 2004). For over half a century, researchers and theorists have likewise emphasised that leadership cannot be studied meaningfully in isolation from its environment (Kluckhohn and Strodtbeck 1961, Bass 1990, Hofstede 1991, Trompenaars and Hampden-Turner 1997, House et al. 2004, Trompenaars and Woolliams 2007). As discussed in Chapter 2, relational, situational and contingency theories have described leadership as an interactive process between leaders, followers and the situational context. By extension, behaviours deemed effective in one cultural setting might be regarded as ineffective in another (Bass 1997).

"Leadership factors are in the mind of the respondent" (Eden and Levitan 1975 cited in Lord and Emrich 2001 p562). Followers will assess a leader's behaviour and attributes through their frame of reference. The more multicultural the environment, the more varied the outcome of the assessment. The more aware and experienced the leader, the more he/she is able to anticipate and deal with culturally contingent conflicts (House et al. 2004).

"Substantial empirical evidence indicates that leader attributes, behaviour, status, and influence vary considerably as a result of culturally unique forces in the countries or regions in which the leaders function" (Javidan et al. 2006). Such culturally contingent leadership attributes can be understood in terms of the distinction between etics (culture general or universal), and emics (culture specific), forwarded initially by Pike (1997), and extolled by numerous scholars since (Den Hartog and House 2002, House et al. 2004).

Den Hartog and House (2002) described etic behaviours as those comparable across cultures using common definitions and metrics; while an emic analysis focuses on context specific

behaviours unique to individual cultures. The emic-etic distinction premises that psychological phenomena can only be reasonably understood within the particular cultural context from which they derive. In an emic approach, for example, the uniqueness of each unit is emphasised, including culturally conditioned perceptions.

“If we wish to make statements about etic or universal aspects of social behavior, they need to be phrased in highly abstract ways ... Conversely, if one wishes to highlight the meaning of these generalisations in specific or emic ways, then more precisely specified events or behaviors need to be referred to” (Smith and Bond 1993 p58). This point is particularly relevant to the forthcoming analysis of three universal LCMs since it posits that the specific behaviours associated with universally desirable leadership attributes – i.e. visionary or motivational attributes (GLOBE 2004) - must be assessed within a specific cultural setting.

As will be discussed in the analysis of the three LCMs in Chapter 4, proponents of universal LCMs argue that they assist organisations and individuals by identifying and communicating essential leadership behaviours that are linked to the strategic directions and goals of the business (Dalton and Hollenbeck 1996, Chappelow 1998, Dalton 1998) However, recent empirical research questions the validity of behavioural comparisons in multiple cultural contexts since specific emic behaviours are not universally comparable across cultural regions using common definitions and metrics (Den Hartog et al. 1999).

The continuing GLOBE project is currently researching behavioural differences across 14 cultures (House and Chhokar, *Anthology of Country Specific Descriptions*, forthcoming). Significant variations already observed in the comparative analysis confirm that behaviour attributes are inherently complex and culturally contingent. Thus, LCMs with high level, abstract attributes and behaviours may be more applicable in a multicultural cultural context, while LCMs with emic behaviours may be viewed as ethnocentric and therefore less transferable across cultures.

Value-belief theorists like Triandis (1995) and Hofstede (2001) posit that cultural values influence the degree to which individual, group and institutional behaviours are enacted and accepted. Similarly, Newman and Nollen (1996) assert that national culture is a key organising principle that directly influences employees’ understanding of work, their approach to it, and the way in which they expect to be treated.

As most leadership research in past decades is North American and Western European in origin (Yukl 2002), the implicit cultural assumptions of these countries has translated into the competency frameworks used by many MNCs today (Emiliani 2003). Individualistic,

charismatic leadership theories have become a default for global business success (Hofstede 1993, House et al. 2004), even in countries that do not value performance-orientated leadership to the same extent. HR instruments such as MBO (Management by Objectives), 360-degree feedback and balanced scorecards all emanated from the US and are inextricably linked to contemporary LCMs.

As noted in the introduction, Hofstede described “idiosyncratic” US management theories that are often not relevant from a global perspective (Hofstede 1993 p81). Three such idiosyncrasies include a “stress on market processes, a stress on the individual, and a focus on managers rather than workers” (Dorfman and House 2004 p56). By contrast, Sparrow and Hiltrop (1994) describe German leadership theories that are concrete, practical, simple and systematic, and which reflect their cultural origins. Other German writers concur that the German structured approach encompasses general principles (Grundsätze), tasks (Aufgaben) and tools (Werkzeuge) in the definition of leadership (Hilb 1997, Lurse and Stockhausen 2001, Oppermann-Weber 2001, Brandes 2002). The individualistic, hedonistic approach to leadership in the US, with its omission or downplaying of task and group orientation, is a less desirable approach in Germanic cultures (Schmidt 1999, Schroll-Machl 2007), which again highlights the cultural contingency of leadership.

Following the review by Bass (1990), and insights from the GLOBE project (2004), leadership research has conceded that universal and culture-specific, culturally contingent leadership behaviours are not mutually exclusive categories, but can coexist within cultures (Trompenaars and Woolliams 2007). As will be discussed in the forthcoming findings, leaders similarly agreed that regional, culture-specific sub-models must compensate a universal framework of core leadership competences.

### **3.3 What leaders need to know about culture**

Comparative and intercultural studies are becoming increasingly important in the global business environment (Dahl 2006). However, leadership theorists have continued to rely on five decades of standardised behavioural research to distinguish between cultures (Dahl 2006), and have failed to utilise flourishing empirical cross-cultural research (Morrison 2000). To address this theoretical lacuna, the following exegesis provides an overview of the main concepts and theories in intercultural research, with a view to interpreting cultural variances in leadership environments at a more profound level than the behavioural factors informing most LCMs (Morrison 2000).



Having established that leadership is culturally contingent, it is vital that organisations understand how culture affects leadership in practice, and can integrate this knowledge in leadership development programmes. Empirical intercultural research is exemplified in the work of Hofstede (1991, 2001), Trompenaars and Hampden-Turner (1997), and more recently the GLOBE project (2004). These studies offer highly valuable insights to leaders and organisations operating in a multicultural environment. Their findings offer a framework to

- enable leaders and team members to identify cultural differences and similarities and adapt emic behaviours with a view to establishing common ground from which to achieve common goals (Javidan et al. 2006)
- maximise performance through reconciliation of universal and particular (context specific) attributes and behaviours (Trompenaars and Hampden-Turner 2004)
- ensure a common understanding and alignment in project management issues (Kiesel 2005)
- optimise cross-cultural communication (Hall 1973, Maletzke 1996, Dahl 2006)
- develop and enact universal leadership models and competency frameworks that are transferable across cultures (Morrison 2000, Trompenaars-Woolliams 2005, 2007)

The following section summarises theories and concepts emerging from behavioural and empirical intercultural research to date. As intercultural research stretches over many disciplines and decades, the review focuses on concepts and theories that impact on global leadership. This analysis has a longer-range view: to ask how the different cultural groups within the MNCs examined in this study tended to focus on their own implicit beliefs, and not necessarily those of HQ culture.

Furthermore, leaders were less concerned about the Dutch or US origins of their respective model (though overtly German traits were commonly drawn out in one model), than in the way other cultures within the organisation's jurisdiction would interpret and implement competencies. We know that, as Hofstede showed 30 years ago, the Germanic cluster investigated by the GLOBE researchers has a high uncertainty avoidance; however, while investigating these differences will be important, it will be germane to firstly explore the theories of intercultural leadership that have made such analysis possible.

## Definitions of culture

The lack of a precise and universally applicable framework for classifying cultural patterns has been addressed by a number of researchers. Dutch organisational anthropologist Geert Hofstede accordingly defined culture as “The collective programming of the mind which distinguishes the members of one group or category of people from another” (Hofstede 1991 p4). Hall (1983a p230) argued that culture is often subconscious and comparable to an invisible control mechanism operating in our thoughts that draws the line between one thing and another; these lines are arbitrary, but once we have learned and internalised them, we treat them as real.

Trompenaars and Hampden-Turner, whose research focuses on the cultural dimensions of business executives, defined culture as

...the pattern by which a group habitually mediates between value differences, such as rules and exceptions, technology and people, conflict and consensus, etc. Cultures can learn to reconcile such values at ever-higher levels of attainment, so that better rules are created from the study of numerous exceptions ... But cultures in which one value polarity dominates and militates against another will be stressful and stagnate (Trompenaars and Hampden-Turner 2004 p22).

The GLOBE project, which has been described as the “most ambitious study of global leadership” to date (Morrison 2000 cited in Javidan et al. 2004 p723), has, as noted above, provided the most succinct definition of culture for the purposes of this study. Collectively, Hall, Hofstede, Trompenaars, Hampden-Turner, Schwartz and GLOBE describe culture as an amalgam of factors, values, practices, tacit assumptions, shared motives and behaviours that are common to a given group, and that act as an interpretive frame of reference.

These ideas grew out of an earlier, more structured approach to the study of cultures in behavioural and scientific research. It will be instructive to briefly retrace this genealogy of intercultural theory since much early research still offers a useful means to classify cultural patterns in leadership.

### *Hall's classic patterns*

Edward T. Hall, the founding father of intercultural communication research, polarised dimensions of culture into high-context and low-context and monochronic and polychronic (1977). High- and low-context describe the way information is communicated. "High-context transactions feature pre-programmed information that is in the receiver and in the setting, with only minimal information in the transmitted message. Low-context transactions are the reverse. Most of the information must be in the transmitted message in order to make up for what is missing in the context" (1977 p101). High/low-context is commonly employed to

analyse cross-cultural communication since it is an easy concept to observe in intercultural encounters (Dahl 2006).

Communication “context” deals primarily with language, located in the outer layer of the ‘culture onion’ (Hofstede 1991), and is fundamental to all intercultural communication analysis. While communication skills are vital to leadership, perception of these skills differs across cultures (Den Hartog et al. 1999, House et al. 2004, Trompenaars and Woolliams 2005). The explicitness and detail orientation in German low-context communication, for example, may cause tension in UK culture regions where Hall identified a preference for moderate context communication (Hall and Reed Hall 1989). Likewise, effective communication between Asian and Western team members relies on sensitivity to contrasting high- and low-context communication orientations.

Context is not everything; however when a person from a high-context country such as China communicates with a leader from low-context regions - Germany or the US - the inevitable communication strains need to be reconciled in leadership models. This will be difficult since currently there is little, if any, statistical data with which to identify the scale of high-low context across regions; while linguistically it is very complex to identify degrees of directness since explicitness, implicitness, communicative strength and bluntness-cushioning are all involved.

#### Monochronic and polychronic cultures

Hall’s second culture dimension deals with the way different cultures structure time: on one hand, monochronic time is one-dimensional, with tasks occurring ‘one at a time’; on the other hand, polychronic time involves the simultaneous performance of multiple tasks, and thus subordinates times to interpersonal relations.

Although the monochronic/polychronic time concept is instructive and, like high/low context, easily observed, the lack of empirical data makes this culture dimension difficult to apply in research. This is especially true when comparing relatively similar cultures (i.e. the low context cultures in Germany, the Netherlands and US). Ultimately, the ambiguity of Hall’s culture concepts disavows a more analytical approach, and is also limited to one aspect of cultural-based behaviour rather than exploring the diversity of underlying values.

## Hofstede

Geert Hofstede is perhaps the most widely cited author in cross-cultural organisational literature, his research and theories stimulating many additional studies on cross-cultural leadership behaviour. His seminal study of cultural dimensions derived from examining employee morale and work-related values at the IBM Corporation in 40 countries. Sample sizes ranged from 37 to 4,691 respondents per country (Hofstede 1991), while in a subsequent study, the author added data from 10 additional countries and three geographical regions. Initially, Hofstede's framework for distinguishing between cultural groups included four value dimensions as follows:

- Power Distance
- Uncertainty Avoidance
- Individualism vs. Collectivism
- Masculinity vs. Femininity

According to Hofstede (1991), these dimensions were selected because of their relationship to organisational phenomena. Power distance, for example, was derived from earlier research on participative and authoritarian management (Likert 1967, Tannenbaum and Schmidt 1973). Uncertainty avoidance was based on previous organisational studies dealing with bureaucratisation and formalisation of organisational practices (House, Wright and Aditya 1997). Hofstede (1991) states that the term uncertainty avoidance was borrowed from American organisational sociology, in particular the work of James March (Cyert and March 1963). Both the individualism vs. collectivism and masculinity vs. femininity constructs are fundamental to anthropological studies (Kluckhohn and Strodtbeck 1961, Triandis 1995).

Hofstede's initial and subsequent research findings were contained in rankings for 53 countries based on scores for each of the four theoretical dimensions (Appendix O). The country scores on each dimension are recorded in his groundbreaking work *Culture's Consequences* (1980), described by House et al. (1997) as a profound contribution to cross-cultural organisational behaviour and leadership literature.

Both power distance and individualism affect the type of leadership most likely to be effective in a country. The ideal leader in a culture in which power distance is low would be a resourceful democrat; on that other hand, the ideal leader in a culture in which power distance is high is a benevolent autocrat (or "good father"). In collectivist cultures, leadership should respect and encourage employees' group loyalties, incentives should be given collectively, and their distribution should be left to the group. In individualist cultures, people can be

moved around as individuals, and incentives should be given to individuals (Hofstede and Bond 1988 p14).

Most cross-cultural leadership studies agree that the Hofstede culture value dimensions need to be analysed concurrently, especially when analysing cross-cultural leadership behaviours where power relations, individualistic or group approach, tolerance of uncertainty and ambiguity, as well as communication style, play a fundamental role.

Of these four value dimensions, uncertainty avoidance and individualism most often cause misunderstanding and conflict between leaders and teams in Anglo-Dutch-German organisations (Kogut and Singh 1986, Kreder and Zellner 1988, Hall 1990, Tiessen 1997, Koberstein 2000, Porsche 2001, Siemens 2001, Krause and Gelbert 2003, Schulz von Thun and Kumbier 2008). As it is beyond the scope of this chapter to consider all four of the Hofstede dimensions in relation to cross-cultural leadership and LCMs, uncertainty avoidance and individualism will be discussed here. As will be shown in the findings, these dimensions both reflect the cultural biases of the leaders interviewed in this study, and the biases of HR and corporate HQ when designing the LCMs. Culture and value beliefs are thus everywhere, influencing LCM design, implementation, but more importantly - according to the testimony of the leaders sampled in the study – dictate a leader’s ability to implement universal strategies and goals in multinational environments.

### **3.3.1 Hofstede: Uncertainty avoidance**

Hofstede defines uncertainty avoidance as “the extent to which the members of a culture feel threatened by uncertain or unknown situations. This feeling is, among other things, expressed through nervous stress and in a need for predictability: a need for written and unwritten rules” (Hofstede 1991 p113). Comparing the uncertainty avoidance ranking of Germany and the UK, Hofstede (1991) noted “considerable cultural difference”, pointing out disparities in tolerance of unpredictability, and attitudes to rules and regulations. In the IBM research, both countries scored the same on power distance (35) and masculinity (66) dimensions. However on individualism, the British scored considerably higher (89 versus 67), while scores were most polarised in uncertainty avoidance (UK 35 versus GER 65).

It is relevant to this study to note a similar ranking divergence between the US and Germany, since, even though cultural differences between German-Anglo clusters are less pronounced than across Asian and Latin cultures, for example, slight cultural differences have the potential to significantly shift the underlying values and behaviours promoted in LCMs. Uncertainty avoidance is often contained in leadership models under behavioural indicators

such as visionary skills; maximising business opportunities; demonstrating courage; displaying a sense of urgency; valuing diversity, driving change and innovation.

Members of countries or organisations with a moderate to high uncertainty avoidance are more likely to perceive change, uncertainty and instability as a threat (Hofstede 1991, House et al. 2004). Thus more systematic, task-oriented leadership and standardised procedures will be sought in dynamic environments (Mischel 1973). Hofstede's findings mapped a clear correlation between implicit beliefs and a society's attitude to uncertainty. MNCs operating in countries with a moderate to high uncertainty avoidance indicator (UAI) - for example Germany - may need to balance prevalent change and ambiguity in the global environment with the employees' cultural proclivity for stability and predictability. Members from countries with comparably lower uncertainty avoidance – the US and UK - may experience some frustration when working with organisations with a high UAI, and vice versa. In an analysis of global leadership competencies, Aycan (1997) argued that resilience to uncertainty and ability to act as a change agent were essential for success in a rapidly changing global environment.

### **3.3.2 Hofstede: Individualism/Collectivism**

Individualism/collectivism, Hofstede's second dimension, is one of the most frequently discussed and researched concepts in cross-cultural leadership research (House, Delbecq and Taris 1996, Dahl 2006).

... individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty (Hofstede 1991 p51).

This dimension focuses primarily on the relationship between the individual and the group. It can be argued that countries and organisations with high individualism, for example the US, the UK and the Netherlands, culturally assume that people are responsible for themselves, individual achievement is ideal, and people need not be emotionally dependent on organisations or groups. Collectivist countries, on the other hand, believe identity is based on group membership, group decision-making is ideal, and groups protect individuals in exchange for their loyalty to the group (Hofstede 1991).

These are, of course, simplified dichotomies, as shown by the ambiguity surrounding the German example. While Germany is an individualistic society on a world scale, its ranking is quite low compared with the US, UK and the Netherlands, as indicated in the following figure.

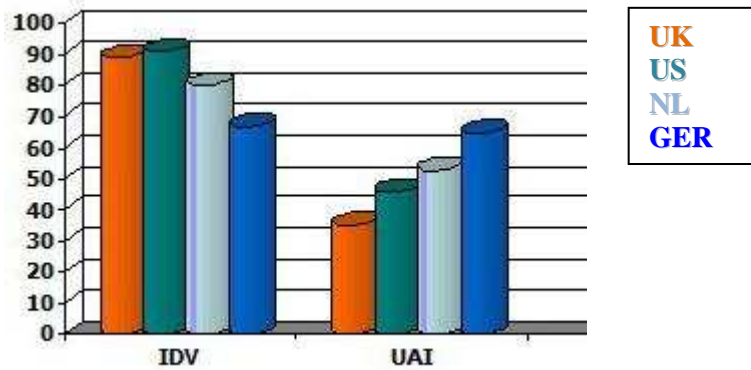


Fig. 12 Hofstede Country Scores Value Dimensions (Adapted from [www.geert-hofstede.com](http://www.geert-hofstede.com))

The rankings, in particular the high individualism ranking of the US and the UK, are reflected in emic leadership behaviours that can cause cross-cultural leadership frictions. In addition, the context specific behaviours associated with individualism and masculinity (assertiveness) in the US and UK contrast with individualism and femininity (modesty) in the Netherlands. High individualism and low uncertainty avoidance in the US and UK also contrasts with moderate individualism and high uncertainty avoidance in Germany (Hofstede 1991).

This individualism-collectivism dichotomy is reflected in competence areas such as individual and group accountability, teamwork and cooperation, networking and cross-business collaboration, and individual freedom and compliance (Morrison 2000, Hollenbeck, McCall and Silzer 2006b). Leadership models typifying high individualism promulgate behaviours and competencies relating to performance orientation, high individual accountability, assertiveness, and explicit low-context communication. Behaviours and values in leadership models that favour a more collective approach stress teamwork, compliance with group-wide processes and procedures, and an emphasis on group-wide goals. Japanese and US leadership competence models reflect the above comparison (Emiliani 2003).

MNCs are largely aware of the need to reconcile collectivist and individualistic leadership styles to meet organisational needs, and to motivate cross-cultural team members to act with authenticity and conviction (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006a). Independent studies have validated the link between Hofstede's individualism rankings and emic behaviours and organisational practices; countries scoring high on collectivism thus place high value on group maintenance and in-group harmony and loyalty (Leung 1983, Beatty, McCune and Beatty 1988). Further studies indicate that high individualism countries prefer independent rather than group-based remuneration packages, and have higher risk-taking tendencies (Bass 1979, Beatty, McCune and Beatty 1988).

Hofstede also noted that high power distance and high collectivism ranking cultures will likely favour autocratic leadership practice (Hofstede 1991); by contrast, countries with high individualism ranking and low power distance welcome participative leadership (Bass 1979, Dorfman and Howell 1988, Stening and Wong 1983).

Hofstede’s work has been criticised for the lack of face validity of the items, and the mostly male middle class sample (Triandis 1982, Robinson 1983, Jaeger 1986, Dorfman and Howell 1988). Nevertheless, independent replications of Hofstede’s country rankings attest to the robustness of the four dimensions (House et al. 2004). In elaborating Hofstede’s groundbreaking empirical research, members of the GLOBE project team argue that the theoretical variables are well conceived and relate to four fundamental social dynamics: they add that the findings from subsequent studies have long-term predictive validity across a substantial numbers of studies following the initial IBM research. Most importantly for this study, these value dimensions illustrate the pivotal impact of culture on leadership behaviours and competencies.

### 3.3.3 Trompenaars and Hampden-Turner

Like Hofstede, Trompenaars and Hampden-Turner (1997, 2000, 2004) classified cultures via a mix of behavioural and value patterns; and thus provide another prism through which to understand how shifting cultural values and assumptions can underline the creation and implementation of leadership competencies. Exploring how cultural differences affect business and leadership, Trompenaars and Hampden-Turner (1997) identified seven value orientations that variously combine to create four basic types of organisational culture. Built on traditional anthropological approaches, the authors proposed that culture consists of basic assumptions concerning how people relate to others, how people relate to time; and how people relate to their environment.

Universalism (rules, codes, laws, and generalisations)	Particularism (exceptions, special circumstances, unique relations)
Individualism (personal freedom, human rights, competitiveness)	Communitarianism (social responsibility, harmonious relations, cooperation)
Specificity (atomistic, reductive, analytic, objective)	Diffusion (holistic, elaborative, synthetic, relational)
Neutral (feelings should not be shown)	Emotional (feelings should be shown)
Achieved status (what you have done, your track record)	Ascribed status (who you are, your potential and connections)
Inner direction (conscience and convictions are located inside)	Outer direction (examples and influences are located outside)
Sequential time (time is a race along a set course)	Synchronous time (time is a dance of fine coordinations)

Table 5 Trompenaars and Hampden-Turner Value Dimensions (Adapted from Trompenaars et al. Cross-Cultural Competence, The Six Dimensions of Cultural Diversity 2000 p11)



The first five orientations cover ways in which human beings deal with each other, while the last two describe how people orient themselves in the environment and conceptualise time. Trompenaars and Hampden-Turner's earlier studies concentrated on defining cultural differences, and reconciling these differences through communication, empathy and creativity (Trompenaars and Hampden-Turner 1997). This has led to the theory of "dilemma reconciliation", which describes how global business mediates diverse values:

The approach informs managers how to guide the people side of reconciling any kind of values. It is a series of behaviours that enables effective interaction with those of contrasting value systems. It reveals a propensity to share understanding of the other's position in the expectation of reciprocity (Trompenaars and Woolliams 2005 p4).

Dilemma reconciliation, like the GLOBE research on cross-cultural leadership, is an important touchstone for this study since it acknowledges the need to reconcile the opposing cultural values that can obstruct leaders when implementing organisational goals. Trompenaars and Woolliams (2007) argue that typical leadership dilemmas in a global environment include the tension between:

Stability	Growth
Long-term decisions	Short-term decisions
Tradition	Innovation
Planning	Laissez-faire
Order	Freedom

The challenge for leaders is thus "to fuse these opposites, not to select one extreme at the expense of the other" (Trompenaars and Woolliams 2007 p5). The ultimate value in the identification of cultural dichotomies lies in their unification and synthesis. The authors recommend that leaders analyse and rationalise, but also act rather than deliberate.

At Shell, Van Lennep's 'helicopter view' was introduced as a significant characteristic of a modern leader - the capability to ascend and keep the overview while being able to zoom in on certain aspects of a situation ... Pure analysis leads to paralysis, and the overuse of synthesis leads to an infinite holism and a lack of action (Trompenaars and Woolliams 2007 p216).

Dilemma reconciliation is at the core then of effective cross-cultural leadership. Having noted that cultural differences affect leadership, it remains to utilise these differences when leading across cultural boundaries (Trompenaars and Woolliams 2005 p4). Leadership models need to

jettison one-dimensional thinking in an ongoing effort to co-ordinate organisations mired in cultural complexity and contingency (Morrison 2000, Emiliani 2003). This approach is fundamental to forthcoming proposals for universally applicable LCMs in global organisations.

### **3.3.4 GLOBE: The global leadership organisational behavioural effectiveness research project**

As mentioned, no study has explored the impact of cultural diversity and complexity on leadership practices in greater depth than the GLOBE project team. Nine key cultural values or dimensions underpinned their analysis of global leadership.

Nine cultural dimensions

The GLOBE research programme comprised 300 questions relevant to Hofstede's four dimensions of societal culture variation: power distance, individualism, uncertainty avoidance, masculinity; to which performance, humane and future orientation were added. A differentiation was made between institutional and in-group collectivism, while gender equality and assertiveness orientation were elaborated as dimensions of cultural variation. The nine cultural dimensions used by the GLOBE project team as a basis for differentiating between societies are:

1. Performance Orientation – the importance of performance improvement
2. Assertiveness – assertive, confrontational and aggressive behaviour
3. Future Orientation – the importance of future-oriented behaviour, for example delaying gratifications, planning and investing in the future
4. Humane Orientation – the degree of fair, altruistic, generous, caring and kind treatment of others
5. Institutional Collectivism – the extent of collective distribution of resources and collective action
6. In-Group Collectivism – the importance of loyalty and cohesiveness, as well as the acceptance of pride
7. Gender Egalitarianism – the degree to which gender inequalities are minimised
8. Power Distance – the degree to which there is equal distribution of power
9. Uncertainty Avoidance – the degree to which a collective relies on social norms, rules and procedures to ease the unpredictability of future events

(Appendix P comprises the GLOBE project culture construct definitions.)

27 hypotheses relating culture to particular outcomes - with data from 17,300 managers in 951 organisations - were tested. Culturally sensitive variables were measured and instruments developed in consultation with members of the relevant cultures. With detailed reference to previous cross-cultural and leadership literature, and use of focus groups, instruments were developed that tapped local meanings and had equivalence across cultures (House et al. 2004).

The findings are highly relevant to MNCs and cross-cultural leaders in an increasingly globalised world. According to House, there is currently a greater need for effective international and cross-cultural communication, collaboration and co-operation to facilitate effective management practices. “One of the most important challenges on leaders today is acknowledging and appreciating cultural values, practices and subtleties in different parts of the world to succeed in global business” (House 2004 p5).

In this context, the GLOBE study notes a glaring lacuna of research on global leadership. The GLOBE project developed societal clusters with specific leadership profiles to facilitate cross-cultural understanding: indeed, this will be instrumental to the development of universally applicable LCMs. The advisability of developing and enacting universal HR policies and instruments (leadership models) was questioned by the GLOBE researchers who argue that globalisation will not precipitate a “one world managerial culture” since historians and social psychologists question the stability of beliefs and cultures across countries (Dorfman, Hanges, and Brodbeck 2004 p709).

#### Societal clusters

The GLOBE project identified ten clusters of countries to analyse variations in specific cultural and leadership dimensions. The clusters are Latin America, Anglo, Latin Europe, Nordic Europe, Germanic Europe, Confucian Asia, Sub-Saharan Africa, Middle East, Southern Asia and Eastern Europe. The clustering bears strong resemblance to Samuel Huntington’s 1996 typology of civilisations and patterns of outstanding leadership. Apart from geographical proximity, ethnic social capital and linguistic commonality, the rationale for the clustering was the expectation that the regions would lend to exploring specific leadership attributes - and that distinct leadership prototypes (CLTs – culturally endorsed leadership theory) will be associated with effective leadership across different cultures (Gupta and Hanges 2004).

The authors argue that clusters best frame the management of complexities in global environments; and that relevant cluster data can support the selection and cultural training of managers working in global environments. Most importantly to this study, the GLOBE

researchers maintain cluster information can help understand the viability of policies and human resources when applied across cultures (Gupta and Hanges 2004).

The Anglo cluster including the UK and US, and the Germanic Europe cluster including Germany and the Netherlands, are of particular relevance to this study (the complete society clusters are provided in Appendix Q). The countries relevant to this chapter are included in Figure 13.

<b><i>Germanic Europe</i></b>	<b><i>Anglo</i></b>
Austria	Australia
Germany (Former East)	Canada
Germany (Former West)	England
Netherlands	Ireland
Switzerland	New Zealand
	South Africa (White Sample)
	United States

Fig. 13 GLOBE Society Cluster (Adapted from GLOBE 2004 p191)

#### Implicit leadership theory

The GLOBE project researchers drew on a body of research termed “implicit leadership theory” (GLOBE 2004), which posits that culturally endorsed conceptions of leadership are developed by individuals within their relevant culture cluster from an early age. The researchers then created six CLTs containing attributes, characteristics, skills and behaviours that determine leadership success in various ways across culture clusters. These include:

- 1) Charismatic/value-based – a leader with strong core beliefs who is able to inspire and motivate others: usually viewed positively
- 2) Team oriented – a leader who excels at forming teams and implementing a common target: usually viewed positively
- 3) Participative – a leader who involves others in making and implementing decisions: not viewed positively in all culture clusters
- 4) Humane oriented – a compassionate, generous leader who supports his/her subjects: ranked as a neutral attribute in many culture clusters, viewed as slightly positive in some
- 5) Autonomous – an independent, individualistic leader: viewed slightly positively in some culture clusters, slightly negatively in others
- 6) Self-protective – a self-centred leader who focuses on saving face: usually viewed negatively

Depending on which attributes are perceived as favourable and unfavourable, individuals accept and respond to individuals in leadership roles. These attributes are believed to be consistent within all ten cultural clusters researched by the GLOBE project.

The GLOBE project used a leadership questionnaire listing 112 behavioural descriptors that participants ranked on a scale from 1 to 7 – the lowest signified an attribute that prevented outstanding leadership, the highest signalled great leadership potential. For the purposes of this study, such work has quantified the sometimes-subtle cultural variances that differentiate shared behavioural dimensions (for instance, the different conceptions of high individualism in the US and Germany), thus highlighting the powerful influence of implicit cultural beliefs on leadership that will be played out in the forthcoming analysis of three competency models.

<b>Social Cluster</b>	<b>Charismatic Value-Based</b>	<b>Team Oriented</b>	<b>Participative</b>	<b>Humane Oriented</b>	<b>Autonomous</b>	<b>Self-Protective</b>
Anglo	6.05	5.74	5.73	5.08	3.82	3.08
Germanic Europe	5.93	5.62	5.86	4.71	4.16	3.03

NOTE: CLT leadership scores are absolute aggregates to the cluster level.

Fig. 14 CLT Scores for Societal Clusters Adapted (GLOBE 2004 Table 21.5 p680)

The GLOBE findings indicate that for the Germanic Europe cluster, both charismatic/value-based and team-oriented leadership are regarded as central to outstanding leadership. It is of relevance, and according to the GLOBE research striking, that Germanic Europe is the only cluster to favour participative over team-oriented CLTs – the former scored higher in this cluster than all others (Dorfman and House 2004) and is almost identical in importance to charismatic/value-based leadership. According to this CLT profile, charismatic/value-based leaders who believe in participative leadership also support independent thinking: whereas in the Anglo cluster, the similarly high importance of high charismatic/value-based, team and participative leadership was coupled with strong humane orientation (Dorfman and House 2004).

Figure 15 comprises a summary of the comparisons of CLT Leadership Dimensions for the Anglo and Germanic Europe clusters.

Social Cluster	Charismatic Value-Based	Team Oriented	Participative	Humane Oriented	Autonomous	Self-Protective
Anglo	<b>H</b>	M	H	H	M	L
Germanic Europe	H	M/L	<b>H</b>	M	H/ <b>H</b>	L

NOTE: For letters separated by a “/”, the first indicates rank with respect to the absolute score, second letter with respect to a response bias corrected score.  
H = high rank; M = medium rank; L = low rank  
H or L (bold) indicates Highest or Lowest cluster score for a specific CLT dimension.

Fig. 15 Summary of Comparisons of CLT Leadership Dimensions (Adapted from GLOBE 2004 Table 21.8 p684)

### Societal cultural practices

Appendix R summarises the societal culture practices scores ascribed by the Anglo and Germanic societal clusters to each of the nine cultural dimensions. In the Germanic cluster, for instance, higher scores were ascribed to performance orientation, uncertainty avoidance, future orientation and assertiveness, whereas humane orientation, institutional collectivism and in-group collectivism scored lower. The GLOBE researchers assert that Germanic cluster societies rely more on assertive and individualistic approaches that are futuristic, well defined, results oriented and often harsh, reflecting the technocratic orientation of the Germanic societies considered “to be a reaction against the Hitler era. The very word leader is ‘Führer’ in German with all that that denotes” (Gupta and Hanges 2004 p199).

Anglo clusters scored highly on performance orientation and low on in-group collectivism, indicating the high goal orientation of Anglo societies where, note the GLOBE researchers, achievement goals take precedence over family bonds. It is important to emphasise that the nine cultural dimensions can be demonstrated in several ways (Den Hartog et al. 1999, GLOBE p703). (The behaviours associated with the GLOBE value dimensions are comprised in the Appendix S).

Performance Orientation - the degree to which the society encourages its members to innovate, to improve their performance, and strive for excellence - is exemplary since both Germanic Europe and the Anglo clusters scored highly on this attribute. However, cultural differences remain since, if performance orientation is equated with a ‘can do’ action-oriented approach to business (i.e. the Anglo perspective), this will jar with Germanic Europe CLTs. Thus cultural dimensions cannot be viewed in isolation from each other, and performance orientation in Germany is clearly influenced by the society’s relatively high uncertainty avoidance ranking, for example.

The relevance of the GLOBE project findings for leadership development in a German, Anglo (UK, US) and Dutch context can be summarised as follows:

- Leadership is culturally contingent. Leaders who have been conditioned in a mono-cultural environment need a greater understanding of implicit leadership theory. Followers are similarly subjected to reconciliation challenges in their relationship with leaders from a different cultural standard.
- The Germanic Europe and the Anglo clusters differ in behaviours relating to charismatic/value-based leadership and participative leadership.
- The different rankings in humane orientation are relevant to the understanding of leadership in the Germanic Europe and the Anglo clusters.
- The Germanic cluster and the Anglo cluster will differ in their behaviours with regard to performance orientation.
- The higher future orientation ranking in the Germanic cluster will be reflected in leadership behaviours.
- Germany has a higher uncertainty avoidance and lower individualism than the UK, US and Netherlands, which is reflected in emic leadership behaviours.
- The GLOBE project observations in focus interviews indicated that Germany and the Netherlands denigrate the concept of individual leadership per se since members of these cultures fear abuse of power (Javidan, House and Dorfman 2004).
- Positive semantic evaluations of leadership are not universal. Europeans seem less enthusiastic about leadership than Americans (Javidan, House and Dorfman 2004).
- In the Netherlands, the power distance ranking indicates that consensus and egalitarian values are highly esteemed.
- Most leadership models resonate North American leadership values and cannot be applied to UK, Dutch and German members without modification (Morrison 2000, Emiliani 2003, GLOBE 2004).

### **3.4 Organisational culture and leadership**

While national culture impacts on the transfer of a universal LCM, so too does organisational culture. Accenture's 2007 leader survey overwhelmingly endorsed the need to nurture a common corporate culture, however few leaders considered the complex implicit values and beliefs that contribute to global organisational culture, or the endemic divergences, both among leaders and followers, within this culture.

As discussed in Chapter 2, the role of situation or context is pivotal to leadership theory in a dynamic, globalised business environment where leaders must adapt ever-changing internal organisational cultures to accommodate a diverse external cultural milieu. The successful design and execution of LCMs across regions is reliant on the cultural intelligence and empathy of organisations, business leaders and HR leaders, as well as the responsiveness of organisational cultures in the recipient environments.

Schein defined organisational culture as

A pattern of assumptions, invented, discovered, or developed by a given group, as it learns to cope with the problem of external adaptation and internal integration that has worked well enough to be considered valid, and be taught to new members, as the correct way to perceive, think, and feel in relation to these problems (Schein 2004 p17).

The degree to which organisational culture is integrated depends on the stability of the group, the duration of its life, and the intensity of the group's experiences of learning.

According to Schein, culture is the most difficult organisational attribute to alter, surpassing all other physical attributes of the organisation. Currently, however, organisational culture needs to change to enable a shift from a regional to global corporate focus – such change programmes have been the underlying catalyst for the introduction of the three leadership competency models under examination in this study. Of course, leaders play an instrumental role in this process.

### **3.4.1 The structure of organisational culture**

Schein's three-layer model (1985) offers valuable insights into the structure of organisational culture. The model comprises artefacts at the first and most cursory level; collective values at the second level; and the organisation's basic premises at the third and deepest level as shown in Figure 16.



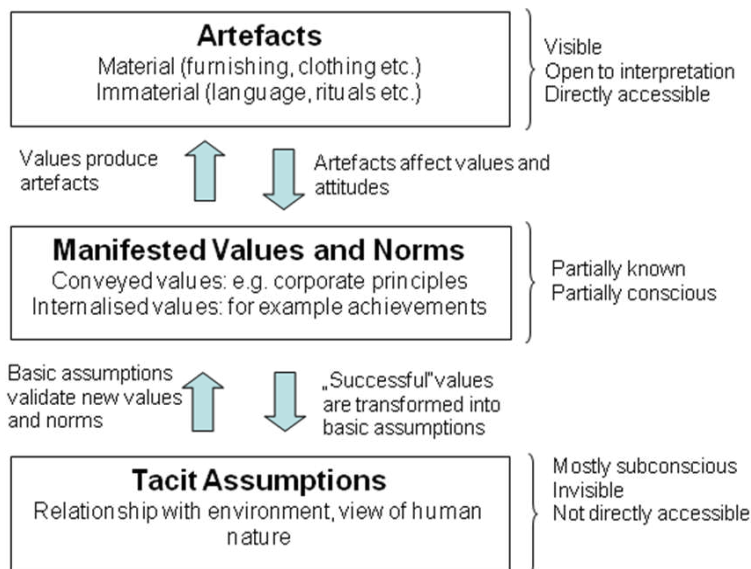


Fig. 16 Schein Model of Organizational Culture (Adapted from Schein 2004 p26)

The inherent values, standards and behavioural rules at the second level determine the behaviour of the members of an organisation more than the artefacts of the first level. A LCM sits at the second level, and to be credible, such competencies should be internalised across the second and third layers. Furthermore, leaders in a multinational environment need to be acutely aware of the perceptions and views informing the ‘professed culture’ at the second level since it drives overall organisational objectives (Schein 2004).

An organisation’s tacit/underlying assumptions, the third and deepest level of the Schein model, are the unspoken, unseen elements of culture that are not cognitively identified in everyday interactions between employees. These elements derive from broadly accepted values that are instrumental in achieving the goals of the organisation. They are the basic premises of the organisation, the central building blocks of the organisation’s culture orientation system, and are regarded as non-negotiable, long-term and stable. These premises exert considerable influence on the perception, thinking, judgment and actions of staff and leaders alike.

Notably, culture at this level is the underlying and driving element often missed by leaders, change agents and organisational behaviourists; yet such tacit assumptions need to be understood and addressed if leaders are to adapt organisational structures to cross-cultural environments.

It is important to note that the values and behaviours defining internal organisational culture are ultimately drawn from diverse societal cultures, and that these internal/external cultural variables are largely symbiotic. A central proposition of the GLOBE integrated leadership theory is that societal culture influences the kind of leadership found to be acceptable and effective in that society, and by inference, within organisations (Brodbeck et al. 2004). “Over time, members of cultures develop leadership prototypes as part of the normal socialization process that occurs with respect to both societal and organizational cultures” (Dorfmann, Hanges, Brodbeck 2004 p673).

### **3.4.2 Leadership in a cross-cultural virtual environment**

Leadership competencies in contemporary MNCs need necessarily to encourage more devolved and distributed leadership authority (Kets de Vries and Florent-Treacy 1999 p13). This reality has, to some extent, been facilitated by increasingly virtual and remote workplace structures. The virtual global environment shifts the parameters within which to conceptualise leadership, and calls into question the theoretical relevance of Hall, Hofstede, Trompenaars and GLOBE. As Avolio, Kahai and Dodge (2001) assert, new frontiers in information technology have changed the meaning of effective leadership. According to Ess and Sudweeks (2005), the assumption that ‘culture’ is synonymous with national identity is less relevant in contemporary global virtual environments.

In the past decade, organisations have seen the development of ‘third’ or hybrid identities resulting from cross-cultural virtual interaction. Scollon and Wong Scollon (2001) argue that in computer-mediated communication (CMC), cultures do not talk to each other, individuals do. Researchers to date have focused on face-to-face interactions in organisational contexts; however in virtual leadership, national and other cultural identities (ethnicity, youth culture, gender, etc.) interact in cross-cultural information environments. Thus alternative leadership approaches are increasingly necessary as CMC growth facilitates virtual cross-cultural teamwork.

The following is a summary of additional challenges for cross-cultural leaders in the virtual environment. How to:

- ensure clarity and understanding around accountabilities
- ensure and sustain active participation of all team members
- motivate team members and achieve a sense of team identity
- lead and monitor project management progress in virtual teams
- ensure context-appropriate communication in the virtual environment

While the knowledge, skills and attributes required to successfully manage or lead in a virtual environment have become increasingly important in today's global environment, this vital competence has not been included in contemporary LCMs. Furthermore, a vague presumption that leaders already possess such skills has delimited any systematic analysis, definition or development of virtual leadership (Duarte and Synder 2006).

### **3.4.3 Change Management: A function of leadership in a global environment**

The LCMs to be examined in this study were each introduced as part of a change management programme as will be discussed in Chapter 4. Thus, in today's fluctuating, globalised environment, leadership competencies are being tailored to help manage organisational change, making ethnocentric organisational culture more cross-culturally responsive and aware. Kets De Vries, Vriegnaud and Florent-Tracy (2004) support Schein's case for "guided organisational change" (Schein 2004): however if leaders are to act as change agents, they also need to realise that organisational culture is not easily transformed.

According to Schein (2004), leaders in MNCs can facilitate desired cultural changes as follows.

- 1) Unfreezing the present system by highlighting the threats to the organisation if no change occurs, while demonstrating that change is possible and desirable
- 2) Articulating and propagating a new direction and new set of assumptions
- 3) Filling key positions with new incumbents who hold the new assumptions
- 4) Rewarding adoption of the new and punishing adherence to old assumptions
- 5) Introducing new technologies or processes that force behaviour change
- 6) Creating new rituals and practices and developing new symbols and artefacts around the new assumptions to be embraced

In contrast to leaders operating within a mono-cultural environment, global leaders must balance the diverse, culturally based expectations, assumptions, values and associated behaviours of employees with the need to achieve organisation goals. Global leaders need to contemplate culturally contingent values and practices relating to the concepts of time, power distance, individual accountability, uncertainty avoidance, in group collectivism, humane orientation and performance orientation, while not underestimating the relevance of culture in the process.

### 3.5 Global leadership and intercultural competence

It is now commonplace for leaders to be working for companies that have a global footprint. As such, effective leadership demands more than just what it takes to be successful in your own cultural environment. Leaders increasingly need to be able to work in unfamiliar situations and cultures in which the leadership skills that they have honed in their local market are no longer enough - and may even be counter-productive when used in a new context (Frost and Walker 2007 p27).

The various traits, attitudes, skills and abilities that comprise global managerial expertise are referred to as 'global competencies' (Bird and Osland 2004 p123). While it is generally accepted that global leadership is critical to the success of a MNC, the advice available to leaders is either too specific (i.e. not to expose your shoe soles when sitting down in an Arab country), or too general to be universally useful (Javidan, Dorfman and de Luque 2006). Unsurprisingly, companies bemoan the dearth of managers with the necessary global leadership skills.

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 ... Global managers are made not born (Barnevik cited in Ehrlich 2002 p234 cited in House 2004 p5).

The concept of a global leader continues to elude researchers, writers and business experts. Use of terms like 'global mindset', 'global leader' and 'global leadership models' imply a common understanding of terms that remain highly ambiguous. According to Orit Gadiesh (2005), chairman at Bain & Company, what makes today's business choices especially challenging are the innumerable variables and uncertainties, the speed at which executives must deal with them, and the breadth of associated risks and opportunities. Yet management is often at a loss to clearly conceptualise and communicate what the global leader profile should entail.

More recent studies have attempted to analyse and elucidate the concept of global leadership by mapping the challenges and qualifications of global leaders. Bird and Osland (2004 p61) identified the challenges of global leadership - as opposed to leading in a single country - as follows:

- A heightened need for cultural understanding within a setting characterised by wider-ranging diversity
- Greater need for broad knowledge that spans functions and nations
- Wider and more frequent boundary spanning both within and across organizational and national boundaries

- More stakeholders to understand and consider when making decisions
- A more challenging and expanded list of competing tensions both on and off the job
- Heightened ambiguity surrounding decisions and related outcomes and effects
- More challenging ethical dilemmas relating to globalisation

Based on more recent global leadership studies, Brownell (2006 p320) summarised competency clusters that characterise effective global leaders as follows:

Intercultural:	Cultural sensitivity, cultural intelligence, global mind-set
Social:	Emotional intelligence, empathy, self-control
Creativity/Resourcefulness:	Breakthrough thinking, innovations, synergistic orientation
Self-Knowledge:	Self-efficacy, self-reflective
Positive Outlook:	Vision, passion, optimism
Responsiveness:	Flexible, agile, opportunistic
Decision Making:	Decisive, sound judgement, intuitive

A complete list of empirical research on global leadership since 1995 is included in Table 6.

Authors	Description	Method	Findings
Yeung & Ready (1995)	Identifies leadership capabilities in a cross-national study	Surveys of 1200 managers from ten major global corporations in eight 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	Women global leaders are increasing. 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; symbolise change and unity; and leverage their increased visibility
Black, Morrison & 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 nominated global leaders	Capabilities: inquisitive, character, duality, savvy, development occurs via training, transfer, travel, teams
Kets de Vries & Florent-Treacy (1999)	Describes excellent global leadership	Case studies involving interviews with three global leaders	Identified best practices in leadership, structure, strategy, corporate culture
Ernst (2000)	Studies the impact of global leadership behavioural complexity on boss and subordinate perceptions of leadership effectiveness	Surveys of the bosses and subordinates of 174 upper-level managers from 39 countries working in four global organizations	Behavioural complexity variables were related to perceptions of leadership effectiveness. However the relationships were not stronger for leaders in global as opposed to local jobs
Rosen, Digh, Singer & Phillips (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
McCall & Hollenbeck (2002)	To identify 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 & flexible; culture interest & sensibility; cognitively complex; resilient, resourceful; optimistic, energetic; honesty & integrity; stable personal life; value-added technical or business skills
Goldsmith, Greenberg, Robertson & Hu-Chan (2003)	To identify global leadership dimension	Thought leader panels; focus and dialogue groups with 28 CEOs and an unspecified number of current and future global leaders from various firms; interviews with 202 high-potential next generation leaders; and 73 surveys from forum group members	Fourteen dimensions; integrity, constructive dialogue, shared vision, developing people, building partnerships, sharing leadership, empowerment, thinking globally, appreciating diversity, technologically savvy, customer satisfaction, maintaining competitive advantage, personal mastery, anticipating opportunity
Kets, de Vries, Vriegnaud & Florent-Treacy (2004)	Describes the development of 360-degree feedback instrument, Globe Invent	Based on semi-structured interviews with a number of senior executives	Twelve dimensions/psychodynamic properties; envisioning, empowering, energizing, designing, rewarding, team building, outside orientation, global mindset, tenacity, emotional intelligence, life balance, resilience to stress

Table 6 Chronological List of Empirical Research on Global Leadership (Stahl and Björkman 2006 pp 205-206)

The studies of Yeung and Ready (1995) identified leadership capabilities in a transnational study with 1,200 managers from ten MNCs in eight countries. They identified eight universal capabilities including, among others: articulate, visionary ability, catalyst for strategic and cultural change, and results orientation. The Black, Morrison and Gregersen study (1999), based on a sample of 130 senior line and HR executives in 50 companies in Europe, North America and Asia, identified ways to develop global leader capabilities such as inquisitiveness, duality and savvy. According to Black et al., these capabilities can be developed through training and firsthand experience of working with and living in other cultural regions.

Based on interviews with over 1000 CEOs from 28 countries, a qualitative and quantitative study by Rosen et al. (2000) identified leadership universals under the categories personal, social, business and cultural literacies. Meanwhile, McCall and Hollenbeck (2002), who interviewed 101 executives from 36 countries, identified 10 core competencies as inherent in global leadership, including cultural interest and sensitivity. As will be discussed in Chapter 4, this data was used to dispute the value of LCMs.

As indicated in Table 6, the methodology for studying global leadership has been limited to surveys and/or interviews, with the exception of Kets de Vries, Vignaud and Florent-Treacy's (2004) case studies. A limited number of instruments to measure psychodynamic properties associated with global leadership behaviours have been developed (Black, Morrison and Gregersen 1999, and Goldsmith et al. 2003, Kets de Vries, Vignaud, Florent-Treacy 2004). However, none of these instruments have been validated using commonly accepted standards for development of psychological assessment and testing instruments (Anastasi and Urbina 1977, Nunnally and Bernstein 1994). The study of global leadership thus remains in its nascent phase, and the majority of the research findings in Table 6 were published in secondary works that did not include primary research material - only three of the studies, for example, were published in peer reviewed journals (Yeung and Ready 1995, Black, Morrison, Gregersen 1998, Kets de Vries, Vignaud, Florent-Treacy 2004).

Mendenhall and Osland's (2002) review of empirical and non-empirical literature on global leadership revealed a total of 56 competencies, from which they derived six core competency dimensions: cross-cultural relational skills, traits and values, cognitive orientation, global business expertise, global organizing expertise, and visioning. Osland et al. (2006) used this categorisation to depict the sum of competencies identified in empirical research in the past 15 years.

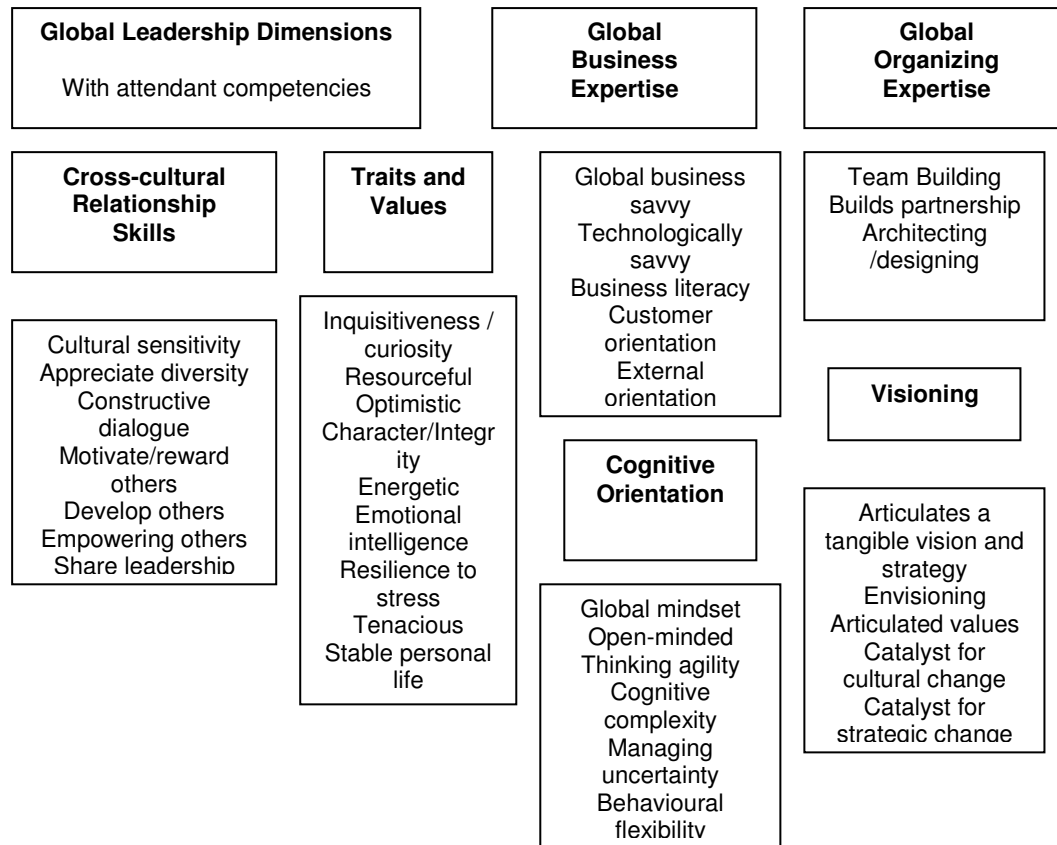


Fig. 17 Categorisation of Global Leadership Competencies in Empirical Research (Osland, Bird, Mendenhall and Osland 2006 in Stahl and Björkman p209)

Early research into global leadership indicates a view that global leaders can be effective without acquiring all competencies; however there is no research to approve or disprove this hypothesis (Osland et al. 2006). According to Caligiuri and Di Santo (2001), leaders can develop attitudes, abilities and knowledge through international assignments, training and global projects. However MNCs must seek to select and promote leaders exhibiting the requisite personality characteristics to ensure success in global environments. Global leadership success is reliant on situational and culturally sensitive relational leadership, coupled with attributes such as openness, flexibility and reduced ethnocentrism (Osland et al. 2006). As will be explicated in the forthcoming analysis of the three universal LCMs, such global leader attributes have struggled to find voice in MNCs limited by the cultural biases of HQ; and that have thus maintained mono-cultural, ethnocentric ideas of transformational or trait-based leadership.



## Intercultural Competence

Emmerson (2001) used the following insight from an award-winning international leader to highlight the importance of intercultural sensitivity to global leadership.

When you have taken the time to understand [that people don't think or act the same way] ... and when you are really motivated or mobilized by a very strong objective, then the cultural differences can become seeds for innovation as opposed to seeds for dissention ...

Europeans cannot call themselves 'international' after working in Italy, Germany or France ... You have to go to countries that have a totally different way of organization, and a totally different way of life (Emmerson 2001 pp6-7).

MNCs rely on 'interculturally competent' leaders to meet the demands of globalisation (Lustig and Koester 2003, Javidan et al. 2006). Trompenaars and Woolliams (2007) elaborate on the need for leaders to balance global and local requirements and cite this as a key dilemma to be reconciled by multinational organisations. The creation of the term "glocalization" symbolises the omnipresent need for multinational leaders to reconcile global influence and local reality (Eoyang, 2005, Roberts, 2007).

While 'intercultural competence' has been held up as a means to prepare leaders for the challenges of globalisation (Deardorff 2004), there is a need to better define a term that has been used liberally, and vaguely, in the literature. Global leadership studies have identified myriad rubrics relating to intercultural competence, including cultural intelligence, intercultural sensitivity, cross-cultural skills, cultural literacy, cultural awareness and sensibility (Yeung and Ready 1995, Black, Morrison, Gregersen 1999, Rosen et al. 2000, McCall and Hollenbeck 2002, Lustig and Koester 2003, Kets de Vries, Vignaud, Florent-Treacy 2004, Osland et al. 2006, Brinkmann 2008, Irving 2008).

While intercultural competence was once viewed as something only necessary for those engaged in direct international relations, today organizations face a need to equip the majority of their leaders and staff in effective intercultural competence (Irving 2008p1).

In line with the central thesis of this study, that leadership competencies and behaviours are culturally contingent, definitions of intercultural competence should aim to combat overly prescriptive and ethnocentric competency frameworks (Morrison 2000, Emiliani 2003, Brownell 2006). In this way, Bhawuk and Brislin define intercultural competence as follows:

To be effective in another culture, people must be interested in other cultures, be sensitive enough to notice cultural differences, and then also be willing to modify their behavior as an indication of respect for the people of other cultures (1992 p416).

Such skills are not intuitive for global leaders; on the contrary, there is a crucial need to develop intercultural competence both formally and informally through education and international experience (Javidan et al. 2005, Brownell 2006, Brinkmann 2008).

In order to facilitate a greater understanding of the requisite skills, attitudes and attributes inherent in concepts of intercultural competence, it will be germane to elaborate on more recent attempts to map out such attributes. Lustig and Koester, for instance, note that intercultural competence can be defined differently depending on the context in which the term is used.

The trait approach to intercultural competence attempts to identify the kinds of personality characteristics and individual traits that allow a person to avoid failure and achieve success in intercultural encounters ... individual characteristics and attitudes must be taken into account when trying to understand intercultural competence (1999 pp64-65).

In Deardorff's seminal 2004 study of intercultural competence – presented as potentially the 'key competence of the 21<sup>st</sup> century' – 23 of the most influential scholars in the intercultural field were asked to articulate definitions of intercultural competence, and "to reach agreement on key elements of intercultural competence and appropriate assessment methods" (Deardorff cited in Bertelsmann 2006 p13). This resulted in seven agreed definitions; the one with the highest level of agreement was defined as follows:

Intercultural competence is the ability to interact effectively and appropriately in intercultural situations, based on specific attitudes, intercultural knowledge, skills and reflection (Deardorff cited in Bertelsmann 2006 p13).

According to Deardorff, this definition includes four dimensions of intercultural competence: attitudes (motivation); intercultural knowledge and skills; an ability to reflect the frame of reference - as the internal outcome of intercultural competence; and an external outcome of constructive interaction, meaning the achievement of valued objectives and an ability to respect cultural rules. Thus, the intercultural experts emphasised the need to incorporate multiple components into any effective definition of intercultural competence. Indeed, 80 percent of the study participants reached consensus on 22 fundamentals of intercultural competence – this was unprecedented as there had previously been no consensus among intercultural experts on definitions of intercultural competence (Deardorff cited in Bertelsmann 2006 p15). The following list comprises the 22 intercultural competence elements with 80%-100% agreement among the intercultural experts (Deardorff cited in Bertelsmann 2006 p14).

- Understanding others world views
- Cultural self-awareness and capacity for self-regulation
- Adaptability / adjustment to new cultural environments
- Skills to listen and observe
- General openness to intercultural learning and to people from other cultures
- Ability to adapt to varying intercultural communication and learning styles
- Flexibility
- Skills to analyze, interpret & relate
- Tolerating and engaging ambiguity
- Deep knowledge and understanding of culture (one's own and other's)
- Respect for other cultures
- Cross-cultural empathy
- Understanding the value of cultural diversity
- Understanding of role and impact of culture and the impact of situational, social, and historical contexts involved
- Cognitive flexibility – ability to switch frames from etic to emic and back again
- Sociolinguistic competence (awareness of relation between language and meaning in societal context)
- Mindfulness
- Withholding judgment
- Curiosity and discovery
- Learning through interaction
- Ethno-relative view
- Culture-specific knowledge/understanding host

Deardorff (2004 cited in Bertelsmann 2006 p17) proposes a pyramid model of intercultural competence that includes five competence determinants:

Requisite attitudes - respect, openness, curiosity and discovery

Knowledge and comprehension - cultural self-awareness, understanding and knowledge of culture

Skills - listening, observing, interpreting, analyzing, evaluating and relating

Desired internal outcome - shifting frame of reference, adaptability (communication styles, behaviours, adjusting to environment), flexibility (selecting appropriate communication styles and behaviours, cognitive flexibility)

Desired external outcome – behaving and communicating effectively and appropriately to achieve goals.

In the past two decades, the assessment and development of intercultural competence has received increasing attention in academic and business research and literature (Bennett 1986, 1993a, 1993b, Brinkmann 2008, Deardorff 2004, Dahl 2006, Johnson et al. 2006, Grisham 2006, Deller and Klendauer 2008, Irving 2008). Johnson et al. (2006) propose a model for developing intercultural or cross-cultural competence in leaders based on the concept of cultural intelligence. They argue that there are environmental and contextual impediments to the effective application of the requisite skills, knowledge and attributes of intercultural competence that result in a gap between theory and practice.

Meanwhile, Bennett (1993b) describes intercultural competence as the ability to think and act in interculturally appropriate ways. Based on their Developmental Model of Intercultural Sensitivity (DMIS), increased ‘intercultural sensitivity’ is associated with increased intercultural competence, which is determined by a leader’s ability to identify and experience relevant cultural differences (Bennett 1986, 1993b).

The Intercultural Readiness Check (IRC 2001-2009, Brinkmann and van der Zee 2002, Brinkmann and van Weerdenburg 2003) is an intercultural learning intervention tool that assesses intercultural competence along four intercultural dimensions, one of which is intercultural sensitivity. More than 13,500 international people have filled in the IRC over the past eight years (Brinkmann 2008 p2). As set out by Brinkmann (2008 p1), the IRC dimensions include:

Intercultural sensitivity - the degree to which a person takes an active interest in others, their cultural background, needs and perspectives

Intercultural communication – the degree to which a person actively monitors his or her communication behaviours

Building commitment - the degree to which a person actively influences the social environment, and is concerned with integrating different people and personalities

Preference for certainty - the degree to which an individual prefers a predictable and homogeneous environment

The Hammet, Bennett and Wiseman model (Bennett 1986, 1993b) employs six definitional categories to evaluate intercultural sensitivity, which are grouped under two main categories, ethnocentrism and ethnorelativism. Ethnocentrism includes the stages of denial,

defence/reversal, and minimisation, while ethnorelativism includes the stages of acceptance, adaptation and integration. The level of intercultural sensitivity is evaluated along a categorical level progress continuum from ethnocentrism to ethnorelativism. Scholars and practitioners increasingly agree that a holistic approach, including classroom training and intercultural experience - both local and international - is best suited to developing intercultural competence as a foundation of global leadership (Caliguiri and Di Santo 2001, Maznevski and Lane 2004, Osland et al. 2006, Brownell 2006, Deller and Klendauer 2008, Brinkmann 2008, Irving 2008).

In line with the Fortune 500 survey noted earlier in the chapter, which showed the preponderant view among executives that corporations lack adequate global leaders, Black, Morrison and Gregersen (1999) committed to developing intercultural competence as a key priority in contemporary organisations. In order to enhance intercultural competence among leaders, organisations must therefore proffer a clearer definition of the related skills, attitudes and attributes inherent in this competence area, and incorporate this designation within their LCM and leadership development programmes. Such underlines the central thesis of this study, that leadership competencies in MNCs are culturally contingent.

When intercultural competency development takes the cognitive and the experiential dimensions of education seriously, there is great promise for ... maturing in intercultural competence (Irving 2008 p10).

In the following chapter, which analyses three existing LCMs and their relative applicability in a multinational environment, the three MNCs that deployed the models will be assessed on their efforts to sufficiently accommodate intercultural competence, and to provide requisite guidance for defining global leadership competencies.

### **3.6 Chapter summary**

In the review of existing leadership scholarship in Chapter 2, it was shown that the persistent use of behavioural and trait approaches in the literature does not allow leadership to cope with new global realities. In response, this chapter has attempted to illustrate the very current need to adapt leadership competencies for cross-cultural as opposed to mono-cultural business environments.

Following on from the central thesis of this study - that national, and organisational, culture impacts on the transfer of leadership models, and therefore, that leadership is culturally

contingent – the chapter has asked how leadership models can incorporate the multivalent behaviours that reflect specific cultural values and meanings across global organisations? There is no easy answer to this question, and it has been shown that much ambiguity surrounds the field. While globalisation has tended to synthesise behaviours and cultures around the world, it has also exposed organisations to unparalleled contingency and contradiction, making prevalent charismatic and transformational leadership models increasingly redundant. Thus, the attempt to reconcile leadership dilemmas across diverse regions is in its infancy, and the process of building globally effective LCMs will be an ongoing one.

The chapter examined some pivotal empirical studies on cross-cultural leadership, ranging from Hofstede to the GLOBE research project, which drew out such culturally contingent values and practices relating to concepts of time, power distance, individual accountability, uncertainty avoidance, in group collectivism, humane orientation and performance orientation.

This analysis will be used to set up a framework for the analysis of three LCMs in this study, and the complex cultural contingencies at play in the process of conceiving, and implementing, these models in globalising organisations. The GLOBE project, for example, highlighted the cultural subtleties that differentiate shared behavioural dimensions (e.g. the differing perceptions of high performance orientation and high individualism in the US and Germany) in the very societal clusters - German, Anglo (UK, US) and Dutch – investigated in this study.

Chapter 4 will provide a cross-cultural analysis of universal LCMs deployed by three MNCs, with a view to establishing cultural bias/orientation in values, competencies and behaviours, and to determine the relative levels of intercultural competence promoted in the models. Chapters 5 to 7 will then present leaders' views on the practicality and relevance of the leadership models and competency frameworks in today's global business environment.

## **CHAPTER 4**

### **Cross-cultural analysis of three leadership competency models**

#### **4.1 Introduction to chapter**

The previous chapter explored the concept of cross-cultural leadership, and the associated competencies and behaviours that might inform universal LCMs in a global context. It was shown that the quest to conceive leadership, not in behavioural or trait-based terms, but as a culturally contingent phenomenon, has been taken up by a number of researchers and scholars. The GLOBE project in particular showed how culturally contingent values and practices relating to power distance, individual accountability, uncertainty avoidance, performance orientation and so on need to be appreciated when conceiving such leader competencies. The chapter also described the large ambiguity surrounding this still incipient research field, as evidenced by inconsistent research methodologies, and also the dominance of US-centred assumptions that still steer the field towards charismatic, individualistic leadership competences.

In an effort to further progress cross-cultural leadership research, this chapter seeks to analyse three existing LCMs and their relative applicability in a multinational environment. How culturally contingent are the competencies and behaviours prescribed in the models, and which national, culture-specific issues may impede the efficacy of the models' application across cultural regions in multinational organisations? Analyses of these culture-specific issues will underline the development of a research tool to test the hypothesis of the thesis that culture impacts on the development, understanding and deployment of LCMs in MNCs.

Cooper succinctly defines a Leadership Competency Model as “a written description of desired competencies that includes examples of the desired behaviours, known as indicators” (Cooper 2000 p21). Competency models are used to establish qualifications and improve leadership effectiveness for future business challenges. Most LCMs are built around the attributes and behaviours deemed relevant to the leadership function within the organisation (Thorn 2002, Humphreys and Einstein 2003). Using focus groups, HR specialists can create a customised competency model with external consultants who determine the business issues that are critical for the organisation's future success. Typical models include desired primary and secondary leadership competencies, and behavioural indicators that will facilitate the realisation of organisational objectives.

Leadership development programmes are built around a LCM, which is often supported by competency architectures and related instruments - competency frameworks, 360-degree feedback tools, performance appraisals, individual development plans. The competency architectures identify the leaders' strengths and weaknesses relative to the desired competencies specified in the LCM, and provide direction and guidance for leadership development programmes.

Academic and business professionals continue to debate the merits of LCMs (Dalton and Hollenbeck 1996, Mansfield 1996, Chappelow 1998, Dalton 1998, Morrison 2000, Emiliani 2003, Brownell 2006, Hollenbeck, McCall and Silzer 2006a). Critics point to the focus on attributes and behaviours rather than on business results; or note that LCMs are generally too detailed to promote the clear communication of competencies (Emiliani 2003, Hollenbeck, McCall and Silzer 2006).

Proponents argue that LCMs aid individuals by outlining a leadership framework that forms the basis for selection, development and understanding of leadership effectiveness. Moreover, LCMs assist organisations by communicating essential leadership behaviours and linking these to the strategic directions and goals of the business (Mansfield 1996, Brownell 2006). Silzer suggests that if the "list is intentionally kept to a manageable size of about 10-20 competencies", then "people will find it useful and not burdensome or too complex" (Silzer 2006 p402).

Trompenaars and Woolliams explain how contemporary LCMs have become fundamental to businesses in the age of globalisation. "The real challenge today in leadership competency models is to include a perspective that transfers to modern global business and international leaders" (Trompenaars and Woolliams 2007 p1). In order to facilitate leadership influence across diverse regions, LCMs need to enshrine the desired competencies, skills and values deemed necessary to help achieve these goals. Global LCMs should aim to advance leadership perspectives that are applied across multifarious regions in an effort to promote commonality in leadership approach and build synergies around group goals.

However, national culture can raise barriers to understanding and deploying competency models for the following reasons:

- the values and beliefs concerning effective leadership behaviours are subject to interpretation (Lucia and Lepsinger 1999, Cooper 2000, House et al. 2004)



- culture acts as an interpretive frame of reference (Hofstede 2001, House et al. 2004, Dahl 2006)
- there will be dissonance between certain culturally contingent values and competencies, and the beliefs of certain organisation members (Schein 2004)

This chapter will analyse national culture specific issues in three LCMs that were established in, and managed from, the UK, US, Netherlands and Germany – as such, these countries/cultures host the three MNC headquarters, culturally inform the value dimensions included in the LCMs, and have produced the leaders included in the sample study. However, the analysis will also contemplate the challenge of extrapolating the model in a non-Western environment, which will be a further test of cross-cultural applicability. The three LCMs examined in this chapter will each be analysed in the context of value dimensions variously defined in the intercultural research literature described in the previous chapter – for example, the GLOBE project’s implicit leadership theory definitions.

The three MNCs under examination are:

- C1: Global British and Dutch Company; analysis based on cultural standards in Germany, NL, UK and US
- C2: Global German Company; analysis based on cultural standards in Germany, UK and US
- C3: Global US Company; analysis based on cultural standards in Germany and US

The intercultural empirical research and theories of Hall and Reed Hall (1989), Hofstede (1991, 2001), Trompenaars and Hampden-Turner (1997), Schein (2004), the GLOBE project (2004), Trompenaars and Woolliams (2005, 2007) and Schulz von Thun (2008) will serve as a basis for the analysis. Empirical studies on global leadership from Yeung and Ready (1995), Black, Morrison and Gregersen (1999), McCall and Hollenbeck (2002) and Kets de Vries, Vignaud and Florent-Treacy (2004) will also aid the analysis – the latter will also utilise the rankings for the four countries made by the GLOBE project and Hofstede (Appendix T contains the relevant findings).

How do these three LCMs reflect the cultural ethnocentricity of the host country, and how applicable are they across cultures? How will this analysis be later reflected in the perspectives and experience of executives charged with implementing these models across regions?

## **4.2 Company 1: Analysis of competency model**

### **4.2.1 Background**

Company 1 (C1) is British-Dutch company with global operations and approximately 120,000 employees. In 2004, for the first time in its history, the company introduced a single set of behaviours for all its employees.

In 1994, C1 was market leader but by 2004 it had slipped to number three. (In 2009, the company again regained its top ranking, leading the list of Fortune 500 companies.) In 2004, with C1's market share slipping, external stakeholders began to focus on the company's culture, organisation, governance and business controls. The Central Management Committee responded with the introduction of a change programme (C1 Change Programme 2004) encompassing universal behavioural standards. On introducing the behaviours, the incumbent CEO declared: "These behaviours are not optional and they are not 'nice to have'. They are critical to our business success and if we don't all adopt them, I believe we will never be number one again" (C1 Change Programme 2004, Appendix U).

The global economic downturn beginning in 2008 severely impacted on company profits and C1 responded with another more radical change programme. Large-scale redundancies - particularly in middle management - and cost-cutting initiatives were introduced to offset the impact of the recession. An added sense of urgency enhanced the importance of the change behaviours; thus, a far-reaching change programme initially drove the ongoing commitment to universal leader competency standards.

The resulting competency model (LCM1) provides behaviour guidance for both employees and leaders and is incorporated in the competency architecture of the organisation. The latter includes leadership specific behaviours and competency frameworks for each function, indicating five job-grade specific competence levels. Of the three LCMs analysed in this study, LCM1 is the only model accompanied by, or supported by, functional competency frameworks.

LCM1 conveys three core competencies: Leadership, Accountability and Teamwork. Ten secondary competencies and behavioural indicators with related values are assigned to the three core competencies: Leadership, for example, is sub-divided into Focus, People, and External Mindset. Accountability subsumes Drive, Discipline and Delivery, while Teamwork comprises Capability, Challenge and Support.

The text structure of the model is clear and unequivocal. The list adheres to a consistent pattern: adjacent to the core competency, a catchword is listed, followed by a more detailed definition explaining the underlying intention. The wording is direct. For example, the definition for the catchword People - “We motivate, coach and develop” - uses succinct action verbs uncluttered by qualifying adverbs.

#### **The Behaviours Behind the Change Programme Model (LCM1)**

What does leadership mean?

*We build shared vision*

*Focus: We set clear priorities and reduce complexity*

*People: We motivate, coach and develop*

*External Mindset: We focus on customers, governments, key stakeholders*

What does accountability mean?

*Drive: We grasp opportunities with energy and take on tough challenges*

*Discipline: We know the rules and stick to them*

*Delivery: We reward success and address failures*

What does teamwork mean?

*Capability: We get the right skills and use them all*

*Challenge and support: We strive for the right balance, neither cosy nor hostile.*

Fig. 18 LCM1

<b>The Change Programme Model (LCM1 Detailed Version)</b>		
<b>LEADERSHIP</b>		
<b>Vision</b>	Builds Shared Vision	<ul style="list-style-type: none"> <li>Builds a coherent set of long term goals for the organisation and is able through a range of communication channels to engage and inspire others to adopt and deliver the goals.</li> </ul>
<b>Focus</b>	Delivers Results	<ul style="list-style-type: none"> <li>Establishes and communicates high expectations and sense of urgency.</li> </ul>
	Displays Personal Effectiveness	<ul style="list-style-type: none"> <li>Successfully manages uncertainty and 'boundarylessness'. Makes decisions with incomplete or conflicting data. Understands implications beyond the immediate, yet retains focus and bias for action.</li> </ul>
	Maximises Business Opportunities	<ul style="list-style-type: none"> <li>Demonstrates the entrepreneurial flair and financial acumen to translate strategic opportunities into specific plans for growth.</li> </ul>
<b>People</b>	Motivates Coaches and Develops	<ul style="list-style-type: none"> <li>Creates and tailors environments which maximise individuals' motivation and support learning. Coaches formally and informally. Empowers others. Develops talent.</li> </ul>
<b>External Mindset</b>	Champions Customer Focus	<ul style="list-style-type: none"> <li>Forms a close understanding of customers' needs, both current and anticipated, creates and delivers sustainable, tailored customer propositions to provide world class products and services and enhance C1's reputation.</li> </ul>
	Displays Personal Effectiveness	<ul style="list-style-type: none"> <li>Builds effective networks and alliances.</li> </ul>
<b>ACCOUNTABILITY</b>		
<b>Drive</b>	Displays Personal Effectiveness	<ul style="list-style-type: none"> <li>Has drive and resilience.</li> </ul>
	Demonstrates Courage	<ul style="list-style-type: none"> <li>Accepts personal accountability to drive continuous improvement through effective influencing, appropriate challenge, overcoming resistance and resolving conflicts.</li> </ul>
	Maximises Business Opportunities	<ul style="list-style-type: none"> <li>Creates and pursues opportunities to enhance business results.</li> </ul>
	Delivers Results	<ul style="list-style-type: none"> <li>Strives for delivery using effective measures of progress.</li> </ul>
<b>Discipline</b>	Displays Personal Effectiveness	<ul style="list-style-type: none"> <li>Displays genuineness, openness and self-awareness. Acts with integrity to a clearly expressed set of values.</li> </ul>
	Demonstrates Professional Mastery	<ul style="list-style-type: none"> <li>Has an in-depth grasp of operating environment generates a robust sense of reality.</li> </ul>
	Maximises Business Opportunities	<ul style="list-style-type: none"> <li>Pursues business opportunities for local area which also support the wider organisation's goals.</li> </ul>
<b>Delivery</b>	Motivates Coaches and Develops	<ul style="list-style-type: none"> <li>Encourages a 'learning organisation' culture in which people admit to and learn from mistakes and adopt and build on other's solutions..</li> </ul>
	Delivers Results	<ul style="list-style-type: none"> <li>Takes decisive action to stay on track.</li> </ul>
<b>TEAMWORK</b>		
<b>Capability</b>	Values Differences	<ul style="list-style-type: none"> <li>Seeks and utilises diverse inputs and people to achieve desired results. Encourages different perspectives and actively seeks challenge to own opinion. Welcomes creative tension arising from working with people who have different approaches. Draws the best out of each individual through demonstrating respect for their contribution, enabling them to fulfil their potential.</li> </ul>
	Delivers Results	<ul style="list-style-type: none"> <li>Strive for delivery using effective management of resources.</li> </ul>
	Motivates Coaches and Develops	<ul style="list-style-type: none"> <li>Attracts and develops talent.</li> </ul>
<b>Challenge and Support</b>	Displays Personal Effectiveness	<ul style="list-style-type: none"> <li>Displays self-confidence appropriate to differing situations. Leverages interpersonal sensitivity to influence others.</li> </ul>
	Demonstrates Courage	<ul style="list-style-type: none"> <li>Effectively creates tension with current situation to move the organisation forward. Creates a culture that strongly supports, encourages and challenges others to take risks, to look for opportunities for improvement and to champion innovative ideas.</li> </ul>
	Motivates Coaches and Develops	<ul style="list-style-type: none"> <li>Encourages a 'learning organisation' culture in which people admit to and learn from mistakes and adopt and build on other's solutions.</li> </ul>

Table 7 LCM1 Detailed Version

To underline the organisational values that are implicit in this model, C1 explicitly defined and articulated nine core values that should underpin effective leadership. These include:

- Builds Shared Vision
- Champions Customer Focus
- Maximises Business Opportunities
- Demonstrates Professional Mastery
- Displays Personal Effectiveness
- Demonstrates Courage
- Motivates, Coaches and Develops
- Values Differences
- Delivers Results

#### **4.2.2 Emerging values**

The behavioural descriptors above are based on a fixed set of assumptions or practices to facilitate the company's goal to establish group-wide processes, shared leadership and global strategies. However, this attempt to create a greater sense of common leadership values – a response to the perceived failure of highly individualistic approaches in the past – brings up a whole range of cultural dilemmas, conflicts and complexities (Avolio, Walumbwa and Weber 2009). How then can these dilemmas, elaborated by global leadership theorists including Trompenaars and Hampden-Turner (1997), be better understood, and reconciled, as C1 continues to perfect a LCM that will guide global leaders in the pursuit of cross-cultural synergies? This question will require deeper analysis framed around the cultural value dimensions utilised by intercultural leadership researchers such as Hofstede (1991, 2001), Trompenaars and Hampden-Turner (1997), and the GLOBE project (2004).

Analysis of LCM1 quickly shows how C1 has attempted to balance high individualism, in-group collectivism and moderate uncertainty avoidance with boundary spanning skills (Beechler et al. 2004b), change agility (Kets de Vries and Florent-Treacy 1999, Schein 2004) and bias towards action (GLOBE 2004). C1 is therefore willing to resist one-dimensional thinking, accommodate cultural dichotomies in the global environment, and practice dilemma reconciliation – the latter will be elaborated in detail below.

The model demonstrates an understanding that leader skills and competencies need to be developed in relation to the multicultural environment in which they operate. LCM1 behaviours have accordingly been phrased in highly abstract ways since, as Smith and Bond

(1993) assert, this is the best means to promote codified, universal and etic social behaviours across a culturally diverse organisation, which is the aim of C1's change programme.

#### **4.2.3 High individualism and in-group collectivism**

Closer analysis of LCM1 shows that the organisation, while attempting to streamline leadership values, had also to reconcile one of the most persistent dilemmas in intercultural theory: that is, the impasse between high individualism and in-group collectivism (House, Delbecq and Taris 1996, Dahl 2006). In response to a highly individualistic leadership culture, C1 introduced LCM1 as a means to reinforce 'enterprise' or group values. Thus accountability to the group is stressed in LCM1 ('drive, discipline, delivery') as a means to standardise organisational behaviour and ensure adherence to company-wide strategies. Accordingly, the then chairman explicitly indicated the need for more collective thinking and group processes. "The balance has shifted too far from "Group First" to "Me First". Ambition is good. But ambition with no regard for peers or subordinates creates the wrong culture" (C1 Change Programme 2004 p1).

The key model behaviours that indicate a shift to group orientation include: 'Leadership: building a shared vision', wherein C1 leaders are entrusted with nurturing group-wide consensus and implementing unified, long-term goals across the whole organisation; and 'Leadership: focus, we set clear priorities and reduce complexity', which entails setting clear, distinct pathways to again achieving universal organisational aims.

To reinforce these collectivist behaviours, C1 leaders need to subordinate individual creativity and risk-taking to the goal of achieving group aims. Thus, the key to individual success will not only be, "Did you deliver?" but; "Did you take decisions that benefited the group as a whole, or did you succeed at others' expense?" (C1 Change Programme 2004 p2). The substituting of group scorecards for individual scorecards as part of the C1 change programme also indicates the embrace of in-group orientation to achieve desired cohesiveness in the organisation (Kaplan and Norton 2009).

Intercultural research posits that the two founding cultures of this behavioural model, the Netherlands and the UK, are highly individualistic (Hofstede 1991, GLOBE 2004). Yet Hofstede also notes that high individualism has differing emphases across cultures, and contrasted a combined individualism and masculinity (assertiveness) in the US and UK with individualism and femininity (modesty) in the Netherlands. These differences also confuse the individualist/collectivist dichotomy, especially when further contextualised in relation to values such as performance orientation or humane orientation.

There are common linguistic features in the model that underline the desired collective approach. The repeated use of the first person plural pronoun “We” at the beginning of all statements (Brinker 1992) aims to promote employee identification with C1, its goals and strategies. There is also repeated reference to a “group” and “team” approach, including, as stated, the introduction of a single scorecard for the whole group; indeed, the model explicitly states “the focus is always on the larger community” (C1 Change Programme 2004 p2).

#### **4.2.4 Uncertainty avoidance and change agility**

The next cultural value dilemma marries uncertainty avoidance – described by the GLOBE project as the degree to which a collective relies on social norms, rules and procedures to ease the unpredictability of future events (House et al. 2004) – with change agility, which describes a leader’s ability to influence diverse stakeholders in shifting, multilayered organisational contexts. Osland defines change agility thus: “Global managers play an important role in fostering the agility, adaptability, and rapid learning capacity that is so crucial to business survival and success. They face the challenges of steering the change efforts and aligning far flung MNCs with thousands of diverse employees” (Osland 2004 p135).

Prior to the introduction of LCM1, there was a relatively high tolerance of risk-taking in C1; however with the introduction of the change programme, management acknowledged that such high uncertainty underlined poor business results, and expressed an intolerance of ambiguity. As the then chairman stated on launching the change programme: “What we need - and what our external stakeholders expect – are professionals who understand and apply best practice without trying to reinvent the wheel all the time” (C1 Change Programme 2004 p4). If best practice entails standardisation and compliance across regions, especially to counteract process ambiguity, LCM1 seeks to nurture these behaviours by limiting uncertainty and increasing accountability.

Though the secondary LCM1 competency, ‘demonstrates courage’, shows a continuing faith in change agility – “Creates a culture that strongly supports, encourages and challenges others to take risks ... and to champion innovative ideas” – the model shows how increasing globalisation and standardisation has limited the change agility of business leaders, compelling them to exercise discretion when balancing compliance and innovation, or collective and individual imperatives. Leaders need on the one hand to display ‘personal effectiveness’ in managing uncertainty and ‘boundarylessness’, and on the other hand demonstrate ‘discipline’ to “know the rules and stick to them”. Global leaders are thus forced to balance contrasting cultural imperatives when implementing and interpreting LCMs.

#### **4.2.5 Performance orientation and accountability**

Echoing the individualism/collectivism reconciliation dilemma, performance orientation is linked strongly with individualism – for Hofstede, individualism implies a cultural assumption that people are individually responsible and that individual achievement is ideal (Hofstede 1991) - while accountability aligns with a cultural identity based on group membership and collective decision-making. Though the GLOBE project links a strong performance orientation typical of the UK and US with high levels of individual accountability, this typically Anglo-Saxon cultural standard needs to be read with greater subtlety in LCM1. A shifting situational context related to the centralising imperatives of C1's top-down change programme has inspired more collectivist modes of accountability, and higher uncertainty avoidance, than is the cultural standard.

In LCM1, the core competency accountability is sub-divided into 'drive, discipline and implementation'. Drive denotes a need for employees to face challenges and seize all opportunities with enthusiasm and energy. The model calls on leaders to "retain focus and bias for action". Hofstede and Trompenaars refer to this as action orientation/the need to do, or achievement orientation, which is most particular to Anglo and US culture (Trompenaars and Hampden-Turner 1997, Hofstede 2001). Discipline, however, defines the need for staff to maintain familiarity and compliance with company rules and regulations, demonstrating a move towards higher uncertainty avoidance. Delivery implies that success is recognised and rewarded, but that shortcomings and failures are also addressed. The need to deliver can be connected to McClelland's Achievement Theory (1961), referred to in Chapter 2, which requires that employees seek constant performance improvement.

The model calls on leaders to balance their performance orientation with higher uncertainty avoidance and compliance with centrally prescribed organisational goals. As noted, this dilemma is inherent in globalised organisations attempting to standardise multifarious processes and policies. Yet the core competency, teamwork, continues to lay faith in the twin pillars of action orientation and individual accountability – for example, the secondary competency, 'motivates coaches and develops' admits that leaders need to encourage employees to "learn from mistakes" and "adopt and build on other's solutions."

LCM1 assumes an external locus of control and presumes that leaders can and should directly impact on the organisation's performance. Trompenaars and Hampden-Turner (1998) used Rotter's scale (1966) to identify the extent to which societies varied in terms of their internal or external locus of control, with high individualistic countries tending to believe that they have the power to control events and thereby drive performance. However, this may be



problematic in Asian and Arab countries where, for example, the external locus of control is emphasised (Trompenaars and Hampden-Turner 1998).

Performance orientation is the overriding cultural standard in LCM1, and the driving force behind the leadership behaviours specified. In its behavioural model, C1 promises to reward members for improvement and excellence, and is intent on regaining its number one market position. It believes adherence to leadership, accountability and teamwork behaviours will support this endeavour.

Global business requires super efficient, standard global processes where as little as possible time and intellectual effort is spent on internal processes and as much time as possible on looking outward (C1 Change Programme 2004 p3).

C1 Change Programme behaviours, including ‘call to action’ and ‘personal accountability’, are clearly underlined in the core LCM1 standards such as action orientation, timely delivery, and compliance with operational standards. The sense of urgency is stylistically reinforced using alliteration in catchwords such as drive, discipline and delivery. However, cross-cultural dilemmas are quickly evident in this approach, with the US and UK bias for action and results orientation conflicting with a German view of performance orientation that devalues speed and action over deliberation and precision (Hofstede 1981, GLOBE 2004).

Such dilemmas will need to be taken into account when trying to impose universal leader behaviours. Therefore, while all these societal clusters are defined by the GLOBE research project as high performance oriented societies (see practice scores in Appendix R), Hofstede (1981) has shown how this cultural dimension can be further dissected in terms of masculinity and femininity – as the Netherlands ranks the highest in terms of femininity among these societal cluster, it can be inferred that leaders from the Netherlands will interpret performance orientation with lower levels of masculine, action orientation (Hofstede interpreted his masculinity dimension as embodying attributes such as challenge, advancement and the ideal value of performance).

#### **4.2.6 Low-context orientation and power distance**

High performance oriented societies tend to use low-context language (Hall 1973, 1977). LCM1 is emblematic of low-context communication cultures whereby the key information is expressed in the language or text message (Hall 1977). The information in the model is conveyed using clear, plain statements, with factual content at the forefront, and there is no embellishing paraphrasing. It is readily comprehensible within the US, UK, German and

Dutch cultures without any extensive contextual knowledge and it leaves little room for individual interpretation.

While comprehensible from a German perspective, the lack of specific directives coupled with the underlying transformational leadership approach may not be regarded as effective within the German cultural group. Communication at the meta-level is less prevalent in German leadership practices (Kuhlmann cited in Stahl 1999), while the bullet-point, motivational language used in LCM1 is likely to be less credible within a German cultural standard that demands factual detail and prescription.

Lewis (1996 p95), in his analysis of communication patterns in over fifty countries, contrasts the lack of flexibility of the German language to “bubbly, transformational American language”, especially with regard to motivating employees. The Germans may have difficulty interpreting the cryptic behaviours in LCM1 and may feel alienated by the perceived shallowness or simplicity of statements such as “Drive; we take on tough challenges with energy and drive”, which is more reflective of US motivational culture.

Since the text analysed is a behavioural model, it can be assumed that it is intended to have an appeal function. However, all sentences are simple statements, with the exception of the initial questions. The text is not a direct appeal with grammatical indicators such as imperative or infinitive constructions, but rather serves a declarative purpose as a new reality is to be created by adopting the behaviours (Brinker 1992). The clear statements specify what management wishes to establish as reality: corporate values and standards of behaviour that specifically reflect the objectives of the model. LCM1 refrains from the use of directives in the model. Behavioural descriptors take a personal, declaratory form. This indicates a low power distance and a preference for distributed leadership that is mirrored in the hierarchical structure of the company.

Hall polarised culture dimensions into high- and low-context – in addition to monochronic and polychronic (1977). Hall described high-context transactions with only minimal information in the message, as opposed to low context transactions that contain all the information - thus, for the latter, what is missing in the context must be made up in the transmitted message (Hall 1977 p101). Context has long been an effective tool for analysing cross-cultural communication (Dahl 2006), and importantly shows that while leadership communication skills are important, they are also perceived differently across cultures (Den Hartog et al. 1999, House et al. 2004, Trompenaars and Woolliams 2005). Thus, communication context needs to be reconciled in leadership models.

Though, in the case of LCM1, the low context, declarative communication style indicates a low power distance, this traditionally aligns with more individualistic and less collectivist leadership behaviours, meaning the two have to be reconciled in light of the push for more centralised and uniform corporate values.

#### **4.2.7 Dilemma reconciliation**

As illustrated in analysis of LCM1 behaviours and competencies above, leaders interpreting and implementing the model will need to reconcile culturally contingent values and assumptions to meet the organisation's needs and motivate diverse team members to act accordingly. As Trompenaars and Woolliams write, "Successful leaders reconcile these differences to a higher level and this underlying construct defines cross-cultural competence" (Trompenaars and Woolliams 2007 p213).

The following table frames the culturally contingent dilemmas that may be encountered when enacting LCM1 in the UK, US, Netherlands and Germany. The first column indicates the value dimension and the polarities that need to be reconciled. The second and third columns contain the emerging dilemmas associated with the polarities among societies within which such behaviours are core cultural values.

<b>Dilemma</b>	<b>High Individualism</b>	<b>High Collectivism</b>
High individualism and Group Approach	<ul style="list-style-type: none"> <li>- values in model signal a marked departure from the high individualism in group</li> <li>- high individualism of UK and NL leadership groups will be appeased as the company is Dutch and British owned, and top management is driving the initiative</li> <li>- high individualism of US, UK, NL may have difficulty with the required standardisation, consensus orientation and collective approach</li> </ul>	<ul style="list-style-type: none"> <li>- a high level of individual initiative is required to ensure individual group concerns are heard due to a high level of standardisation and centralised decision-making</li> </ul>
<b>Dilemma</b>	<b>Sequential/Monochronic</b>	<b>Parallel/Polychronic</b>
Time Orientation; Sequential and Parallel	<ul style="list-style-type: none"> <li>- model stresses a sense of urgency, however change programmes normally have long lead times</li> <li>- sense of urgency is problematic in German environment due to a preference for sequential planning and linear processes</li> </ul>	<ul style="list-style-type: none"> <li>- standardisation and involvement of all stakeholders and group-wide initiatives, processes are drawn out and have longer lead times</li> <li>- dilemma due to consensus orientation and democratic approach</li> </ul>
<b>Dilemma</b>	<b>Moderate Uncertainty Avoidance</b>	<b>Low Uncertainty Avoidance</b>
Moderate and Low Uncertainty Avoidance	<ul style="list-style-type: none"> <li>- German cultural standard (moderate uncertainty avoidance, high individualism) may have difficulty in adopting non-specific behaviours</li> <li>- model does not itemise specific skills or competencies to be acquired by the associates</li> <li>- model indicates preference for flexible leadership and change agility which may be challenging in German cultural standard</li> </ul>	<ul style="list-style-type: none"> <li>- Anglo and NL groups (high individualism, low uncertainty avoidance) may feel constrained by need to adhere to group-wide processes and act in compliance</li> </ul>
<b>Dilemma</b>	<b>High Performance Orientation</b>	<b>High Performance Orientation</b>
Distinct Performance Oriented Leadership Behaviours	<ul style="list-style-type: none"> <li>- behaviours are affected by high uncertainty avoidance, high individualism and low humane orientation in Germany</li> </ul>	<ul style="list-style-type: none"> <li>- behaviours are affected by low uncertainty avoidance and high individualism and moderate humane orientation in the UK, US and the NL</li> </ul>
<b>Dilemma</b>	<b>High Power Distance</b>	<b>Low Power Distance</b>
Moderate and Low Power Distance	<ul style="list-style-type: none"> <li>- countries with a high power distance may not be able to relate to the high level of individual accountability and shared leadership concept</li> </ul>	<ul style="list-style-type: none"> <li>- change is introduced top down</li> <li>- incongruity between the competencies in use vs. the implicit competencies espoused as the company is undergoing a change process</li> <li>- tacit assumptions of the employees are not reflected in the model</li> <li>- centralised decision-making</li> </ul>

Table 8 LCM1 Dilemma Reconciliation

In summary, the analysis of the deployment of LCM1 in a German, UK, Dutch and US environment indicates a need for value dilemma reconciliation between:

1. High individualism and group orientation
  - i. Individual creativity and standardisation
  - ii. High level of autonomy and limited discretionary power in strategic decision-making
  - iii. Ad-hoc process management and compliance with standardised processes
  - iv. Geocentrism and ethnocentrism in strategic initiatives (Den Hartog 2004)
  - v. Group and individual evaluation in performance (group scorecards)
2. Performance orientation
  - i. Results orientation and task/process orientation
  - ii. Incongruence in performance evaluation criteria
  - iii. Analysis and synthesis in process management
  - iv. Change agility, change tolerance and change aversion
3. Moderate and low uncertainty avoidance
  - i. Risk tolerance and aversion
  - ii. Change agility, tolerance and aversion
  - iii. High and low tolerance of ambiguity
  - iv. Flexibility and expediency in process management and prescribed processes

The creators of LCM1 behaviours clearly recognise the importance of contingency and situational leadership (Fiedler 1967, Hersey and Blanchard 1969) in attempting to reconcile tension between cultural/operational diversity and strict compliance with organisational goals. LCM1 expects leaders, for example, to reconcile the dilemma of high individualism and in-group collectivism: leaders need to display and foster individual creativity, on one hand, yet encourage a group-wide approach to ensure compliance with the organisation's overall objectives.

The GLOBE project similarly described an ongoing tension between culturally contingent and universal behaviours (GLOBE 2004). Standardisation and group orientation are a challenge in individualistic cultures like the US, UK and Netherlands unless the culture itself is the strategy architect, as with C1 - gaining acceptance within the German cultural standard may present other challenges.

An ongoing dilemma for C1 will be the need to resolve an Anglo/Dutch cultural preference for low uncertainty avoidance with LCM1's focus on risk avoidance and group accountability. These contrasting cultural dimensions, and the potential tensions that might be created, is reflected in the attempt to push LCM1 behaviours through with a short lead-time, reflecting changing cultural concepts of time within globalising organisations. Thus we see a number of associated cultural dilemmas emerging from a change programme that has greatly decreased C1 leader autonomy and discretion over key strategic decisions.

As regions have lost autonomy and processes been standardised, leaders lack the discretion to maintain a culture of innovation, or promote change agility competence. Such standardisation and centralisation is cultural, reflecting an ethnocentric bias towards universalistic Anglo/Dutch leadership behaviours, and signalling the overarching influence of the parent company's national culture. Dilemma reconciliation is unlikely, therefore, to be resolved through geocentric talent management, and the success of LCM1 strategies may be limited by an endemic cultural ethnocentrism in LCM design.

The efficacy of the model rests on the tacit assumption that C1 has the right leaders in place who are culturally literate. In the secondary competency, teamwork, differences are valued: "Seeks and utilises diverse inputs and people to achieve desired results. Encourages different perspectives and actively seeks challenges to own opinion" (LCM1). This prescribed flexibility confirms the bi-polar value orientations of the model and its ethnocentric Anglo-Saxon and Dutch bias – as opposed to a more transactional, structural leadership style accepted in Germany. The Dutch, only partly inspired by the North American transformational leadership approach, may feel less alienated by the model as it is home-grown and allows for some discretion. The model may be well received in the UK and US due to the significant high individualism in the cultural standards.

But how will the model be adopted in regions that are more culturally distant? The challenge ahead lies in transferring a LCM promulgating high performance orientation, high individualism, low-context communication and moderate uncertainty avoidance to polarity regions like Asia, Arab and Latin countries with low performance orientation, high collectivism, high context communication and low uncertainty avoidance. In the forthcoming findings chapters, the C1 leaders themselves will shed further light on the perceived applicability of LCM1 in diverse cross-cultural contexts.

### **4.3 Company 2: Analysis of competency model**

#### **4.3.1 Background**

C2, a traditional German organisation established in 1880, operates globally with approximately 10,000 employees. The latest company leadership model (LCM2) was introduced in 2008 as part of a major change initiative comparable to that described in the case of LCM1. LCM2 attempts to offer guidance on how staff and managers are expected to behave within a new organisational culture undergoing significant transition.

Contained within a holistic HR programme and competence architecture, the model is intended to be versatile, individually applicable, and linked to various HR instruments such as performance and talent management and training and development. This illustrates the company's newfound intention to accelerate the process of cultural change and ensure the consistency of its HR instruments.

Three main values, all associated with performance orientation, are emphasised in LCM2: ambition, curiosity, and acting with resolve. These can be linked to performance orientation as described by Trompenaars and Hampden-Turner, especially their 'inner directedness' value dimension, which describes a need to retain control of the environment in which organisations operate (Trompenaars and Hampden-Turner 1997). Javidan evokes a similar notion of performance orientation. "... performance oriented societies are in pursuit of excellence. They desire innovation, challenge and ambition" (Javidan 2004 p267). "Ambition" is another related and key value throughout LCM2.

Like C1, C2 is a global company trying to improve performance and business results by linking diverse organisational strands around prescribed behavioural standards and competencies. But as was shown in LCM1, implicit cultural assumptions will dictate how LCM2 competencies and behaviours are interpreted and enacted across the organisation.

The ambiguous values and behaviours contained in LCM2 indicate a prevailing state of transition within the organisation's culture. Cross-cultural applicability was not, it seems, a primary concern in the development of the model. Cultural sensitivity is mentioned, however the values conveyed - high uncertainty avoidance, moderate individualism - are typically German cultural standards (GLOBE 2004) that will unlikely transfer well to highly individualistic, risk tolerant cultures with a higher humane orientation and 'appeal level' (Kumbier and Schulz von Thun 2006) like the US and UK. C2 followed an ethnocentric strategy when developing the LCM, and tended to neglect the cultural standards of its global

partners; neither did it appear to consider the multiplicity of interactions between individuals in the organisation.

#### **4.3.2 Structure of the LCM2**

LCM2 is directed at both staff and managers and makes a clear demarcation between these two functions: sections A-D comprise the desired staff behaviours; sections E-F the desired leadership behaviours. As this study concerns itself with leadership behaviours, sections E and F will be discussed.

As is typical of low-context German culture, the full LCM2 model is highly detailed and prescriptive, as detailed below.



<b>E Making staff and teams successful</b>
<b>E1 Motivating and developing staff</b>
Encouraging staff to use discretionary scope, act on their own responsibility and share in corporate responsibility
Motivating staff through suitable measures (e.g. challenging tasks, common goals, praise and recognition)
Being able to achieve even difficult goals without compromising staff motivation
Promoting a spirit of trust and cooperation, mutual esteem and team spirit, taking cultural differences/diversity into consideration
Giving staff honest and detailed feedback on their behaviour
Addressing conflicts and ensuring their prompt resolution
Creating systematic learning opportunities, thus promoting the staff's willingness to learn
Developing the knowledge and skills of one's own staff members through focused and suitable measures (on- and off-the-job measures, job rotation, development plans, etc.)
Training talented candidates in the company and developing them according to their potential
Ensuring the company's future success through suitable succession candidates
Paying close attention to the composition and networking in the team, creating specialist and social synergies ("team excellence")
<b>E2 Providing guidance and managing performance</b>
Explaining the corporate strategy and the strategy of one's own unit and making the requisite staff contributions for this clear
Expressing clear performance expectations and agreeing to challenging staff objectives
Involving staff in the definition of objectives
Enabling staff to perform at a high level by taking decisive steps to eliminate hindrances
Monitoring performance during the year through ongoing dialogue and feedback
Assessing performance fairly and equitably, recognizing success and imposing clear consequences for less than satisfactory performance
Also delegating challenging tasks to staff members and conveying responsibility accordingly
Providing support for the achievement of objectives, ensuring quick availability
<b>F Making the company successful</b>
<b>F1 Developing and implementing client-focused strategies</b>
Displaying a clear understanding of performance towards both internal and external clients
Gearing one's own product or service portfolio strictly to the current and future needs of those clients, weighing company and client interests (cost/benefit)
Steering the results of one's unit so as to create the greatest possible contribution for the company (value added, corporate value)
Actively seeking and identifying business and growth opportunities for expanding business or further developing services
Identifying relevant developments at the client company, knowing how to maintain client ties and ensuring long-term client satisfaction
Providing innovative impulses and creating a culture that also allows innovative and creative solutions
Developing one's own strategy, involving staff members or the management team and other relevant corporate units
Paying attention to the overall corporate interest as well as cross-selling potential in servicing a market
Creating cost consciousness, organizing processes/workflows in one's own area
<b>F2 Consistently exercising managerial responsibility</b>
Serving as a credible role model through one's own performance and behavior and being measured by one's own performance
Not only being satisfied with what has been achieved, but striving to realise the optimum for the company
Pursuing one's own objectives consistently, also in the face of resistance
Willingness to adopt an exposed position internally and externally, bear responsibility and take the necessary risks
Recognising and setting priorities for one's own area of responsibility within the framework of overarching strategic goals
Thinking and acting in terms of solutions
Making decisions quickly, courageously, pragmatically and in a logical manner
Initiating and driving necessary changes in order to advance one's own unit or the company
Further developing oneself, using feedback to do so and reflecting critically on one's own managerial actions and their effect
Being open to and respectful of other cultures

Table 9 C2 LCM

All sections of LCM2 emphasise the importance of profits, market and clients to the success of the organisation, maintaining a strong focus on performance orientation. The six core competence areas, and two corresponding sub-competencies, are summarised below to facilitate ongoing analysis:

- A. Being successful with clients
  - 1. Understanding clients and markets
  - 2. Managing client relationships
- B. Promoting innovation and decisions
  - 1. Accepting change and taking initiative
  - 2. Prioritising and bringing about decisions
- C. Striving for the best solutions
  - 1. Building up and passing on expertise
  - 2. Developing optimum solutions with expertise
- D. Cooperating successfully
  - 1. Learning through cooperation with others
  - 2. Convincing others and achieving goals together
- E. Making staff and teams successful
  - 1. Motivating and developing staff
  - 2. Providing guidance and managing performance
- F. Making the company successful
  - 1. Developing and implementing client-focused strategies
  - 2. Exercising managerial responsibility with resolve

It is noteworthy that LCM2 uses the term management rather than leadership in sections E and F. This relates in part to Germany's low humane/relationship orientation compared to other countries in this study (see Appendix T for relevant GLOBE scores); and the focus on managerial-style task orientation in German leadership culture (Tannenbaum and Schmidt 1973).

Each competence area is business-oriented while the two sub-competences are cultural guiding principles, such as motivating others and acting with resolve. Additionally, C2 has supported these sub-competences with what are called behavioural anchors - an average of eight behavioural anchors are listed with bullet points as shown in the full model. C2's intention is to facilitate adherence to the system by describing the behavioural anchors and showing what the sub-competences mean when applied in practice.

### **4.3.3 The LCM2 competence model – the overall message and differences**

In the introduction of LCM2, ‘ambition, curiosity and acting with resolve’ are mentioned as guiding principles that supersede all other values, signalling an intended organisational departure from weak to explicit and measurable performance orientation. The call to act with curiosity indicates a shift to more individualistic, risk tolerant behaviours, from high to more moderate uncertainty avoidance, and again, to a higher performance orientation (House et al. 2004). The tendency to distinguish between employees and management functions indicates a persistently high power distance in the social and organisational culture (Hofstede 1991).

LCM2 is written in a highly technocratic and rational style, with structure, strategy, performance and success outweighing any relationship orientation. Not only indicative of the Germanic focus on task versus relational leadership (Lurse and Stockhausen 2001, Oppermann-Weber 2001, Brandes 2002) - which would be problematic in the UK or US context where transformational behaviours derive from relational leadership culture (Hollander 1985) - detailed descriptions render much of the model overly prescriptive and redundant.

Considerable time and concentration are required to read the competences and associated behavioural anchors, making the model difficult to understand, internalise and apply to daily business. The interviews conducted with C2 managers validate this view, with many expressing an inability to properly digest, and thus employ, the detailed values in the model. This again relates to ongoing high uncertainty avoidance and overly prescriptive low context communication (Lewis 1996).

E1 and E2 describe “what to do with staff” and “how to deal with staff” in a top-down language style that again indicates a high power distance. The need to actually involve staff is only mentioned once. Lewis describes typical Germanic communication in which the “the language is especially conducive to the issuing of clear orders. The almost invariable use of the Sie form ... Fits in well with the expectation of obedience and reinforces the hierarchical nature of communication” (Lewis 1996 p107).

As globalising companies attempt to implement organisational change, culture remains the most difficult attribute to adapt, as Schein (2004) has shown. This is why C2, like the other MNCs examined in this study, face ongoing cultural dilemmas that need to be reconciled throughout the drafting and implementation of a culturally contingent competency model. The difficulty of adapting new cultural values, and reconciling cultural dilemmas, is outlined in the following sections.

#### **4.3.4 Uncertainty avoidance and high individualism**

The LCM2 behavioural indicators denote moderate to high uncertainty avoidance, indicating a disinclination to take risks in German culture (Hofstede 1991). The length and detail of the indicators alone reinforce uncertainty avoidance, as do phrases like “Ensuring the company’s future ... and monitoring performance” (LCM2 2008). A relatively high individualism is also emphasised – “promoting innovation and decisions ... taking initiative” – and, as stated, is linked to the drive to improve business performance.

Phrases such as “creating a culture that allows creative and innovative solutions and ... take the necessary risks” (LCM2 2008) indicate a wish for leaders/managers to act within uncertainty, to be open to new approaches, and demonstrate courage. The model aspires to open the organisation to more risk, change, and lower uncertainty avoidance; however the detailed and prescriptive nature of the model contradicts these espoused values. As Schein’s (2004) three-layer model of organisational culture shows, there is often a misstep between espoused values/behaviours and the implicit values that have longed underpinned actual organisational practices.

LCM2 expresses little in-group collectivism (as opposed to the other two LCMs which seek to create synergies in group orientation), and high individualism is affirmed in expressions such as “one’s own staff”, “one’s own strategy”, “one’s own performance” and so on. Throughout sections E and F of the model there are no first person plural pronouns – “we” or “our” – to indicate an inclusive leadership strategy. This is in direct contradistinction to the C1 model, and illustrates the divergence between German and Anglo cultures. Especially on a global scale, the lack of explicit group orientation may neglect an opportunity to promote synergies and a common culture or sense of identity across regions.

The behavioural anchors begin with the gerunds “encouraging”, “motivating”, “promoting”, “giving” and so on, addressing the leaders as functions rather than people. The formulations appear impersonal, distant and technocratic, typical of a combined high individualism and high uncertainty avoidance. While the consistent structure of the model does imbue LCM2 with a regular style and logic, it is likely to appear monotonous and devoid of individual appeal in an Anglo-Saxon environment (Brinker 1992, Lewis 1996, Kumbier and Schulz von Thun 2006, Schroll-Machl 2007).

#### **4.3.5 Power distance and personal accountability**

LCM2 neglects concepts of shared leadership (Drath and Paulus 1994, Bennis and Townsend 1997, Avolio, Walumbwa and Weber 2009), drawing a clear demarcation between leadership/management and staff functions to denote a high power distance. Thus phrases like

“Motivating staff ... encouraging staff ... enabling staff” (LCM2 2008) lack an intended motivational appeal due to the top-down style. C2 values staff: however the structure and wording of the model relegates the latter to an operational role. Staff is encouraged to perform, but do not, as in the UK or US corporate environment, “own” projects and initiatives. This could be to the detriment of C2 since, as our research findings in the US and UK show, personnel are motivated by having proactive roles in the organisation. (There are exceptions in the model – i.e. section E2, “Involving staff in the definition of objectives” – though these could be more token than substantive.)

High power distance is directly linked to personal accountability, with C2 demanding absolute accountability for performance from its leaders. Loyalty to the organisation - and an implied hierarchy - is gained via “one’s” own scope of action (individual accountability) that becomes a contribution to the company (collective accountability). The phrasing “one’s own” is used demonstratively to emphasise the desired performance orientation: that is, F1 describes “Steering the results of one’s unit to create the greatest possible contribution, ensuring the optimum for the company” (LCM2 2008). Here ambition is emphasised - “Reflecting critically on one’s own managerial actions” – and managers are urged to be self-critical and performance oriented.

Combined with a high power distance, the ambitious, performance-focused nature of accountability in C2 is likely to limit leadership discretion and change agility, and thus impact on a leader’s ability to operate across diverse, often unpredictable cultural contexts.

#### **4.3.6 Humane orientation**

LCM 2 exhibits low humane orientation as defined by the GLOBE research project (2004) – “The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others” (GLOBE 2004 p30) – with the Germanic cluster scoring the lowest of all scores related to this cultural definition (GLOBE 2004 p193). As noted, the highly formal and bureaucratic nature of the model, and strong demarcation between employees and leaders/managers, is also symbolic of low humane orientation, with leaders engaged in a top-down relationship with staff subordinates.

Concurrently, however, LCM2 is attempting to foster individual initiative and independence - “Encouraging staff to use discretionary scope, act on their own responsibility and share in corporate responsibility” – but employs wording, as discussed, that indicates highly formal power relationships. To reiterate, this low humane orientation will fail to impact in UK or US culture clusters that value a transformational “we” approach in leadership discourse.

### 4.3.7 Dilemma reconciliation: LCM2

The following table comprises the culturally contingent dilemmas that could arise when enacting the model in the UK, US and Germany. The first column indicates the value dimension and polarities that need to be reconciled, while the adjacent columns contain the emerging considerations associated with the polarities.

<b>Dilemma</b>	<b>High Individualism</b>	<b>High Collectivism</b>
High Individualism and Group Approach	<ul style="list-style-type: none"> <li>- high individualism evident in the model</li> <li>- individual creativity and innovation at variance with high uncertainty avoidance in German cluster</li> <li>- language used lacks drive and enthusiasm which is less appealing to UK, US</li> </ul>	<ul style="list-style-type: none"> <li>- model favours individual accountability and therefore may be less acceptable in cultural contexts with high collectivism</li> </ul>
<b>Dilemma</b>	<b>Sequential/monochronic</b>	<b>Parallel/polychronic</b>
Sequential and Parallel Time Orientation	<ul style="list-style-type: none"> <li>- Behaviours and language indicate a monochronic attitude</li> </ul>	<ul style="list-style-type: none"> <li>- model asks for quick, courageous and pragmatic decisions that may appeal to the US and UK time orientation and sense of urgency</li> </ul>
<b>Dilemma</b>	<b>Moderate Uncertainty Avoidance</b>	<b>Low Uncertainty Avoidance</b>
Moderate Uncertainty Avoidance and Low Uncertainty Avoidance	<ul style="list-style-type: none"> <li>- behaviours may not be universally accepted in UK and US cultures due to low uncertainty avoidance which values tolerance of ambiguity and behavioural flexibility</li> <li>- technocratic approach, directness and detail may be resisted in the US and UK</li> </ul>	<ul style="list-style-type: none"> <li>- importance of risk-taking and innovation is mentioned but the language not compelling and lacks conviction; in German culture these values might be registered but not internalised and the prevalent high uncertainty avoidance culture may question the model's validity</li> </ul>
<b>Dilemma</b>	<b>Moderate Power Distance</b>	<b>High Power Distance</b>
Moderate and High Power Distance	<ul style="list-style-type: none"> <li>- model encourages leaders to question their perspectives and seek feedback which is less typical in countries with a high power distance</li> </ul>	<ul style="list-style-type: none"> <li>- model differentiates between staff and managers, symbolising demarcation and high power distance</li> </ul>
<b>Dilemma</b>	<b>High Performance Orientation</b>	<b>High Performance Orientation</b>
Distinct Performance Oriented Leadership Behaviours	<ul style="list-style-type: none"> <li>- performance orientation dominates the model and the emotional and humane aspects are almost completely neglected</li> <li>- technocratic and unemotional language style may lack appeal in the cultural context of US/UK</li> </ul>	<ul style="list-style-type: none"> <li>- model is very technocratic and does not appeal to any emotional aspects or relationships</li> <li>- may gain acceptance in German culture, but difficulties may occur rolling it out in US/UK</li> </ul>

Table 10 LCM2 Dilemma Reconciliation

The LCM2 model embodies the German culture of moderate/high uncertainty avoidance and high individualism, however the structure, wording and sentiment of the model indicate a higher power distance than is typical of this culture. Thus while Germany ranks alongside

‘mid score’ Anglo and European countries in the GLOBE survey for power distance (GLOBE 2004 p193), they have increased power distance in the model to ensure greater central command of organisational goals.

The espoused values of ambition, innovation, curiosity and action correspond with Germanic societal values such as high performance and future orientation, though the former values are more prevalent in the Anglo context. This minor dissonance is exacerbated when we consider the high uncertainty avoidance ranking of the Germanic cluster (GLOBE 2004 p193), which precludes such espoused action orientation and innovation. Hofstede (1991) has noted that German organisations may need to balance change and ambiguity in the global environment with the employees’ cultural penchant for stability and predictability.

While the low context communication style of LCM2 precludes misunderstanding, this is achieved at the expense of empathy – as opposed, for instance, to Japanese high context “lean management” leadership competencies (Emiliani 2003); or the moderate context communication predominating in the UK (Hall 1977). LCM2 thus focuses on results-driven values such as ambition and future orientation at the expense of ‘soft’ values like sociability, interest in other people, empathy and meta-communication skills (Stahl 1999).

#### **4.4 Company 3: Analysis of competency model**

##### **4.4.1 Background**

Company 3 (C3) is a US-American company operating in 119 countries across 6 continents and employs more than 1.5 million people worldwide. The competency model (LCM3) was introduced to all global regions in 2006 and is directed toward all leaders – it superseded a four-tier leadership model introduced in 1999. Created by the company’s internal leadership institute, LCM3 was based on a series of benchmark studies, as well as expert interviews and analyses. LCM is introduced to management teams across regions on the intranet, by local HR, and incorporated in leadership development programmes.

The philosophy of C3’s internal leadership institute is “to engage a global community of leaders in innovative thinking and learning in order to excel in their personal and professional lives” (C3 Website, 2007). LCM3 reflects an approach to knowledge sharing and learning that reinforces momentum, growth, and transition (C3 Website 2006).

In the late 1990s and early 2000s the company was said to have lost customers by focusing on expansion at the expense of quality (Financial Times, 2007). In 2004, a new CEO responded

by initiating a new leadership strategy intended to “develop critical leadership skills needed to address major short and long term business challenges that are affecting the corporation” (C3 Website 2006). LCM3, which was directed at 1,400 leaders globally, was integral to this change strategy; thus, like the change programmes inspiring the introduction of LCM1 and LCM2, this third model underlined an attempt to improve leader performance orientation.

LCM3 is constructed clearly and consistently in three layers: Personal Leadership, People Leadership and Business Leadership. The core competencies are elaborated in the ensuing description of the relevant behaviour indicators. The model’s unique feature is the additional “Importance to the Business” section, sitting adjacent to each core competence and attendant behaviour indicator as outlined in Table 11.



1. Personal Leadership Competencies	Competency	Importance to the Business
<b>Achieves through Teamwork</b>	Works cooperatively as a member of a team and is committed to the overall team objectives rather than one's own interests. Is open to other's diverse ideas and leverages the team's difference to achieve results.	The complexity of doing business today means those leaders must rely on others like never before. A leader's ability to collaborate across boundaries is critical to ensure he/she acquires the best thinking on business issues or problems.
<b>Leads through Influence</b>	Networks, communicates and builds alignment with key customers and stakeholders. Positively influences others and collaborates in ways that inspire others' to take action and/or change perspective.	Leaders must be able to create a clear a compelling vision and gain commitment for moving in the desired direction.

2. People Leadership Competencies	Competency	Business Rationale
<b>Executes for Results</b>	Relentlessly pursues the achievement of goals in the face of obstacles while upholding the highest possible standards of fairness, honesty and integrity. Personally accepts accountability of self and others in the pursuit of sustained profitable growth.	Leaders need to have a relentless drive for achieving results AND hold themselves and others accountable for reaching their goals.
<b>Communicates Effectively and Candidly</b>	Demonstrates strong two-way communications skills. Conveys information and ideas in an open, articulate and timely manner. Considers cultural differences and others' perspectives when communicating.	Leaders need to be comfortable having a point of view and able to share it in a way that engages others in dialogue.
<b>Builds and Leverages Talent</b>	Builds the quality of C3's diverse employee base by seeking out top talent, creating opportunities for development and growth, rewarding achievement and supporting diversity of thought and perspective.	It is every leader's job to focus on development of his/her people.

3. Business Leadership Competencies	Competency	Importance to the Business
<b>Put the Customer First</b>	Seeks to understand the changing need, preferences, and interests of our external and internal customers. Strives to deliver highly quality products and superior service that exceed their expectations.	The success of our business strategy relies on more customers more often.
<b>Plans and Acts Strategically</b>	Develops a clear and compelling vision, strategy, or action plan that is aligned with the organization's goals. Applies knowledge of the industry, how C3's makes money and the contribution of all functional areas when making decisions.	Leaders must be able to form a vision and communicate overall strategy and plans in an ever-changing environment.
<b>Leads Change and Innovation</b>	Identifies the changing needs of our customers, employees and system and successfully leads innovation that improves the business.	Companies that don't figure out how to generate more innovation in such an age are will be overrun by competitors who do (Human Resource Institute, 2004). Leaders at every level need to continually question the status quo.

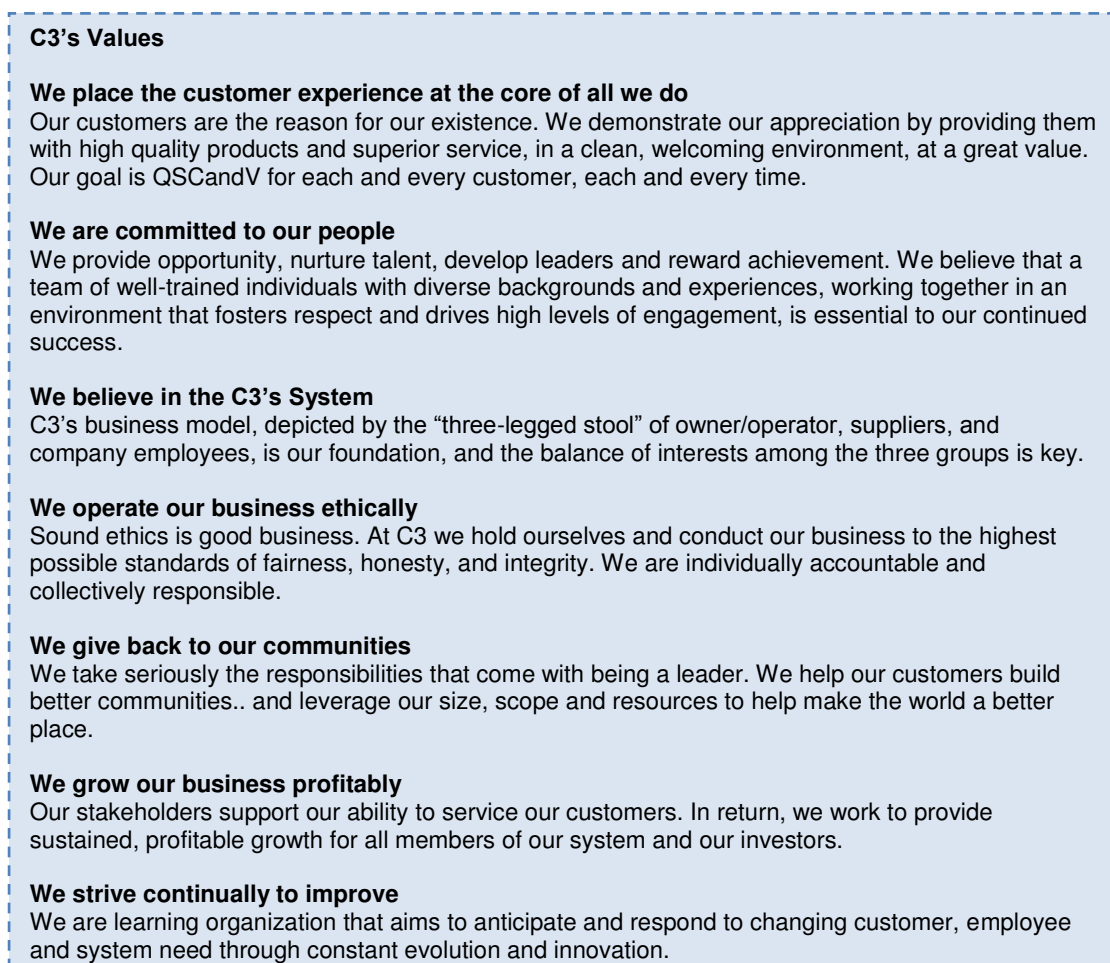
Table 11 C3 LCM3

In the “Importance to the Business” section in column 3, the organisation outlines the significance of the behaviours to the business, detailing how the demonstrated behaviours/attitudes impact on the business, while outlining their rationale. These essential leadership attributes are directly linked to desired business results and performance orientation.

According to Emiliani (2003), a high performance orientation is typical of a highly individualistic leadership model that also focuses on high individual accountability, assertiveness, and explicit low-context communication. These indeed are typical cultural traits of an ethnocentric C3 model and may not translate easily in high context Asian cultures, for example.

Linking attributes to business results in a LCM has been referred to as leadership branding (Intagliata, Ulrich and Smallwood 2000). This goes beyond generic competencies or attributes, creating a unique leadership profile that corresponds to business targets. Indeed, branded leadership creates a distinct leadership culture that permeates the entire C3 organisation.

Each of the eight core competence and behaviour indicators has a clear emphasis and describes one or more values. The implicit values in the model are aligned with C3's explicit values. The company values are outlined in Figure 19.



**C3's Values**

**We place the customer experience at the core of all we do**  
Our customers are the reason for our existence. We demonstrate our appreciation by providing them with high quality products and superior service, in a clean, welcoming environment, at a great value. Our goal is QSCandV for each and every customer, each and every time.

**We are committed to our people**  
We provide opportunity, nurture talent, develop leaders and reward achievement. We believe that a team of well-trained individuals with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential to our continued success.

**We believe in the C3's System**  
C3's business model, depicted by the "three-legged stool" of owner/operator, suppliers, and company employees, is our foundation, and the balance of interests among the three groups is key.

**We operate our business ethically**  
Sound ethics is good business. At C3 we hold ourselves and conduct our business to the highest possible standards of fairness, honesty, and integrity. We are individually accountable and collectively responsible.

**We give back to our communities**  
We take seriously the responsibilities that come with being a leader. We help our customers build better communities.. and leverage our size, scope and resources to help make the world a better place.

**We grow our business profitably**  
Our stakeholders support our ability to service our customers. In return, we work to provide sustained, profitable growth for all members of our system and our investors.

**We strive continually to improve**  
We are learning organization that aims to anticipate and respond to changing customer, employee and system need through constant evolution and innovation.

Fig. 19 LCM3 Values

LCM3 can be understood in terms of the “values level”, or second level, of Schein’s (2004) organisational culture model. Leadership competencies are a ‘professed culture’ of value dimensions that inhabit this second level, and global leaders need to understand such values since they drive overall organisational objectives. C3 markets itself internally and externally as a values-driven organisation – “We give back to our communities ... we grow our business profitably” – and it is relatively easy to remain cognisant of these values. However it is important to also contemplate the implicit values contained in the third, and deepest, level of the Schein model: the implicit, imperceptible cultural values and premises that underline an organisation’s value orientation system.

The second level values exhibited in LCM3 such as momentum, growth and performance are underlined by a complex culture of tacit assumptions, especially in terms of transformational, charismatic and motivational leadership behaviours – American researchers like Bass (1997 p65), for example, went as far as to argue that components of transformational leadership such as charisma and the intellectual stimulation of followers are leadership attributes that are universally endorsed.

While the business rationale in the model is presented as non-negotiable, the behavioural indicators are kept at the abstract level since, as was noted in LCM1, behaviours phrased in abstract ways best promote codified, universal behaviours across a culturally diverse organisation (Smith and Bond 1993). In addition, the behaviour indicators are less prescriptive so as to leave scope for innovation and transformational change, an underlying premise of US organisational culture. This was, however, to the detriment of a functional competence framework (Mansfield 1996) – unlike LCM1, which included such clear, specific leadership guidance.

Like LCM1 and LCM2, the need to reconcile value dilemmas was evident throughout LCM3 since the model was also designed to adjust implicit cultural values to satisfy new, globalising business priorities.

#### **4.4.2 Power distance and high individualism**

C3’s corporate culture is marked by moderate power distance, high individualism in personal accountability, and very strong in-group collectivism, meaning loyalty to the C3 system and brand conviction. Use of the third person to describe the desired attributes of the employees - “Works cooperatively as a member of a team ... Networks, communicates and builds alignment ... Relentlessly pursues the achievement of goals” (LCM3 2006 pp1-2) - implies a

high power distance orientation as it refers to the managers as functions/concepts rather than the more inclusive “we” used in LCM1.

Almost all eight core statements begin with an action verb - “Demonstrates strong two-way communication ... Builds quality ... Seeks to understand ...” (LCM3 2006 pp1-3) - directed at the reader of the model. Additionally, the word “leader” is constantly repeated in the Importance to the Business rationale in conjunction with “must” or “need to”. The unambiguous expression and explicitly worded demands on employees also indicate a high power distance.

Though C3 espouses shared accountability and a ‘three legged system’ of collaboration between owners, suppliers and employees, the linguistic style enforces the universalistic power distance orientation of the model, and again tells leaders what they must do. “They must be able to create a clear and compelling vision. Leaders need to have relentless drive for achieving results ... It is every leader’s job to ...” (LCM3 2006 pp1-2). Tacit assumptions, as described in the Schein model (Schein 2004), are hence elevated to the realm of facts and reality - more declaration than appeal (Brinker 1992) - due to the high power distance cultural assumptions.

High power distance, combined with high in-group collectivism, as cited in LCM3, implies a kind of benevolent autocracy yielding low individualism (Hofstede 1991). Yet high individualism is a prerequisite for success in C3 and leaders are expected to be transformational, inspirational and visionary - “Positively influences others and collaborates in ways that inspires others to take action and or change perspective” (LCM3 2006 p1). This latter value will again have to be reconciled with the high power distance that is not a usual feature of US culture, but is now viewed by HR as vital for a universal model.

Listed skills and values such as personal accountability, the pursuit and achievement of goals, developing a clear and compelling vision, and identifying the needs of the customer - “to figure out how to generate more innovation ... to continuously develop themselves ... to hold themselves and others accountable” (LCM3 2006 pp.1-3) – again indicate high individualism and charismatic leadership orientation.

In the GLOBE project analysis of implicit, culturally endorsed leadership theories, charismatic value-based leadership scored highest in Anglo societal clusters (2004 p689). The strong implicit, and explicit, values associated with highly individualistic, charismatic leadership – defined by the GLOBE project as “a leader with strong core beliefs who is able to inspire and motivate others” (GLOBE 2004 p689) – will be important for understanding

the limits of LCM3 when deployed across cultures; and also when trying to reconcile individualism and high power distance within the organisation.

#### 4.4.3 Future and performance orientation

Future orientation and individual/group performance are fundamental values in C3, accentuated in terminology like “objectives”, “results”, “vision”, “growth” and “opportunities”. The model stresses the importance of innovation and shaping the future. The strong performance orientation echoes the company motto: “more customers, more often” (C3 Website 2007). The need for strong performance in the near future is typical of US cultural values (Ferraro 2006, GLOBE 2004); however this emphasis on actionism delimits long-term leadership strategies and puts stress on the long lead time required for implementing a change programme: urgency was also an issue with LCM1, and may be rejected in the German cultural context, for example. The short-term performance orientation is also evident in the failure of LCM3 to devise detailed functional competencies.

A chronological orientation toward the immediate future and need for change agility is also evident. “Companies that don’t figure out how to generate more innovation in such an age are bound to be overrun by competitors who do” (LCM3 2006). The cultural standard of inner-directedness (Trompenaars and Hampden-Turner 1997) is also evident in LCM3 - “Lead Change and Innovation”. This indicates a US time orientation that subordinates the past. The present, which is clearly affected by the future, is of greater importance in strategic planning and goal setting (Trompenaars and Woolliams 2004). This short-term future orientation was again validated in the interviews that inform the primary research, remaining a dilemma for many leaders who demanded a more detailed, strategic, long-term approach to organisational change.

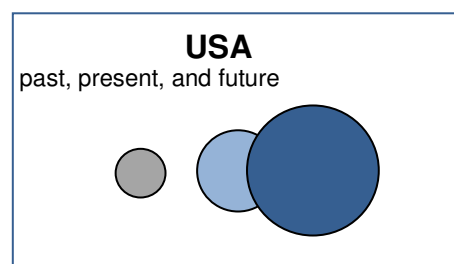


Fig. 20 Time Orientation in the USA (Trompenaars and Woolliams 2004 p88)

#### 4.4.4 Uncertainty avoidance

As befits a transformational competency model informed by US cultural standards, LCM3 employs low uncertainty avoidance by demanding that leaders drive change and innovation. Change is viewed as a business reality and is repeatedly emphasised in phrases like “change perspective”, “understand changing needs”, and “ever-changing environment”. The

associated competences of change agility, risk and uncertainty tolerance are regarded as prerequisites for leading in today's business environment. C3 leaders are required to "be open to diverse ideas ... to leverage differences ... to pursue the achievement of goals in the face of obstacles ... to accept accountability ... to support diversity of thought and perspective" (LCM3 2006 pp1-3). This is a typical US culture trait (Pedersen 2004); however high individual risk will again have to be reconciled against the exigencies of high power distance.

C3's focus on "place[ing] the customer at the core of all we do" supersedes ongoing leadership development, again indicating low uncertainty avoidance and a high tolerance for change. In the Personal Leadership Competences, the leaders are called upon to "collaborate in ways that inspires others to take action and or change perspective" (LCM3 2006 p1).

The high uncertainty avoidance prescribed in LCM3 (however vaguely) reflects the US-centric views of Bass, and to some extent the GLOBE project, that transformational leadership transcends national boundaries and is universally endorsed (Bass 1997, Den Hartog et al. 1999). High uncertainty avoidance and charismatic leadership will not, however, be easily endorsed in Germanic cultures, or within cultures with low individualism, for example. For C3 leaders who have to implement this model across diverse regions, these issues will no doubt be articulated in the coming findings.

#### **4.4.5 Brand congruent orientation**

LCM3 requires each employee to wholly identify with the organisation, its brand and values. Thus, "Every employee must have a clear understanding of the [C3] system. To achieve its mission of being the customer's favourite place ... our actions as individuals and as a system, must reflect our values" (C3 Website 2007). Employees must demonstrate brand passion and identify with the company as brand. Carmazzi describes such brand congruent culture as follows. "People in this type of culture believe in the product or service of the organization, they feel good about what their company is trying to achieve and cooperate to achieve it ... Most everyone in this culture is operating at the level of Group" (Carmazzi 2004 p22). C3 accordingly makes frequent mention of its system, customer, brand and name in the values and competency model.

Such linking of leader attributes to business results has been labelled leadership branding (Intagliata, Ulrich and Smallwood 2000), and is a unique, wholly US-centric leadership style that corresponds with high individualism and performance orientation. But again, such very ethnocentric attributes will not be easily assimilated across diverse cultural groups. Though brand attributes may forward the goals of global marketing departments, they may not lend

well to developing universal competencies, and global leaders, that can inspire cross-cultural synergies.

#### **4.4.6 Cultural contingency: Universalism vs. particularism**

The core statement “We believe in [C3] System” (C3 Values 2006) underlines the importance of corporate identity in C3. The sense of belonging has a moral appeal and is uniformly applicable to all employees across all regions. The sense of ‘fit’ can be located in the Schein model (2004) as a tacit assumption; employees should experience and demonstrate a sense of pride in and belonging to the company. The consistent use of “we” throughout the C3 values underscores the desired sense of community and universality within the organisation: “Our business model is our foundation ... We are individually accountable and collectively responsible ... We build better communities” (LCM3 2006 pp1-3).

Universal values and behaviours are established for the entire company across business units and regions in an effort to establish a commonality that transcends national cultural boundaries. LCM3 obliges employees to adhere to standards that are universally agreed to by the corporate culture irrespective of regional cultural differences (Trompenaars and Woolliams 2004). This is validated in the primary research, with respondents agreeing that corporate culture transcends national culture, no matter where C3 operates.

As espoused in LCM3, C3 is adamant that employees not question the appropriateness of the values, obligations and standards established. C3’s position is reinforced by the eight primary competences, each of which is explained in the accompanying business rationale. The “Leading Change and Innovation” competency, for example, “Identifies the changing needs of our customers, employees and system and successfully leads innovation that improves the business” (LCM3 2006). This rationale attempts to convince the reader that the competency is valid. However, many of the competencies and behaviours are culturally contingent (House et al. 2004), and the espoused universality of the model’s assumptions may impact negatively when extrapolated across regions.

#### **4.4.7 Dilemma reconciliation**

Table 12 contains the culturally contingent dilemmas that may arise when enacting the model in the UK, US and Germany. The first column indicates the value dimension and polarities that need to be reconciled; the other columns list the emerging considerations associated with the polarities.

<b>Dilemma</b>	<b>High Individualism</b>	<b>Collectivism</b>
High Individualism and Group Approach	<ul style="list-style-type: none"> <li>- individualistic style of leadership with a high level of initiative, self-assurance and personal accountability</li> <li>- transformational, charismatic based leadership which may be less applicable to low humane oriented cultural standards in Germany</li> </ul>	- model is universalistic with a bias towards US business values
<b>Dilemma</b>	<b>Moderate Uncertainty Avoidance</b>	<b>Low Uncertainty Avoidance</b>
Moderate and Low uncertainty Avoidance	- the way the competencies are to be executed is not explicitly defined. Support may be required in understanding i.e. competence-based training	<ul style="list-style-type: none"> <li>- model is universalistic, C3 system is to be adhered to</li> <li>- competencies are defined in depth by US standards. The business rationale is itemised. Deviance in enactment of behaviours may not be anticipated due to low-context explicitness of the messages</li> </ul>
<b>Dilemma</b>	<b>High Performance Orientation</b>	<b>High Performance Orientation</b>
Distinct Performance Oriented Leadership Behaviours	- behaviours in Germany affected by high uncertainty avoidance and high individualism	- behaviours in US/UK affected by low uncertainty avoidance and high individualism
<b>Dilemma</b>	<b>Moderate Power Distance</b>	<b>Low Power Distance</b>
Moderate and Low power distance	- will likely not explicitly question the universalistic model	- possible dissonance between the values and beliefs espoused in the model and those practised by many employees in the organisation

Table 12 LCM3 Dilemma Reconciliation

LCM3 indicates a clear transformational leadership bias, low uncertainty avoidance, underlined by risk-taking and change tolerance, high individualism and personal accountability balanced with high in-group collectivism, performance orientation, humane orientation and future orientation. The model includes both universally applicable and culturally contingent competencies, behaviours, skills and attributes related to effective leadership.

High individualism and low uncertainty avoidance have lent to transformational, charismatic leadership attributes that may be less conducive to cultural standards in Germany; meanwhile, such commitment to individual risk and innovation has also counted against the stress on performance orientation within the model itself.

In enacting the model across cultures there may be a dissonance between the beliefs of the leaders and the values espoused in the model. Thus, for behaviours to be successfully enacted,



congruence between the explicit and implicit values (levels 2 and 3) of Schein's organisational culture model will need to be facilitated via ongoing training and implementation (Schein 2004).

C3 specifies that employees display low uncertainty avoidance, a proactive orientation to identify the changing needs of customers, and successfully lead innovation. As noted, these values are less prevalent in the high uncertainty avoidance Germanic cluster where expertise and experience take precedence (GLOBE 2004, Schroll-Machl 2007). The model's performance orientation and strong focus on the immediate future embodies a US cultural standard in which competition and pursuit of growth is idealised (Lewis 1996, Trompenaars and Hampden-Turner 1997, Schmidt 1999).

The model's constant focus on competition, individual performance and short-term future orientation might be viewed with scepticism in cultures where tradition, stability and long-term orientation are valued. Trompenaars and Hampden-Turner (1997) rightly question the consensus that sophisticated business practice is a corollary of universalism, and the supposition that all nations might be better off resembling the USA. "We believe that cultural dilemmas need to be reconciled in a process of understanding the advantages of each cultural preference" (Trompenaars and Hampden-Turner 1997 p33).

LCM3 does, at times, acknowledge cultural dilemmas and diverse cultural preferences, though this is subverted by the strong universalism of the model. Behavioural indicators stress a need to be "open to others' diverse ideas ... cultural differences and perspectives when communicating" (LCM3 2006). C3 also values diversity: "We believe that a team ... with diverse backgrounds and experiences, working together in an environment that fosters respect ... is essential to our continued success" (C3 Values 2006). Intercultural sensitivity is said also to contribute to communication effectiveness among leaders; however the aggressive wording in LCM3 will unlikely harmonise cultural polarities. The ethnocentric nature of the model ensures that there is a clear bias towards the specified behaviours.

For sake of comparison, if the US model is to be enacted among German cultural groups, the following value dimensions will need to be reconciled:

High individualism and Group Orientation

Individual creativity and standardisation

Ethnocentrism and geocentrism regarding system alignment

Individual approach and system alignment

In-group collectivism and high individualism

Moderate and Low Uncertainty Avoidance

Risk tolerance and aversion

Change agility, tolerance and aversion

Flexibility and expediency in process management and prescribed processes

Leadership Practices and Values

Management and transformational leadership

Time Orientation

Future Orientation and short-term orientation

Sense of urgency and importance

#### **4.5 Comparison of three leadership competency models**

Comparison of LCM1 and LCM2

The first two models analysed illustrate the impact of national culture on the framing, and interpretation, of leadership competencies and behaviours in global organisations. As both models have been generated through change programmes and a desire for organisational transformation, they each have struggled to align implicit, ethnocentric cultural values with newly prescribed standards that often contradict such inherent value dimensions.

Thus, while both models focus on performance orientation, this is achieved through a different cultural lens: LCM1 exhibits real Anglo cluster performance orientation underlined by motivational, low context communication style, meta communication, individual accountability, innovativeness and focus on results; while LCM2 exhibits Germanic performance orientation with low humane orientation, low-context explicit, data oriented

communication style, and a stronger focus on task orientation as opposed to relationship orientation (GLOBE 2004).

While LCM1 needed to reconcile an endemic high individualism and a push for greater in-group collectivism, LCM2 needed to compensate for a shift from high to moderate uncertainty avoidance, again going against type. But while embracing measured risk-taking and leadership courage, and thus limiting uncertainty avoidance, the heavily prescribed and detailed C2 model tended to reassert an inherent fear of risk and innovation in Germanic culture.

So too with humane orientation, LCM1 exhibits high humane orientation, including informal relationships, relatively autonomous employee relations, and the notion that people are free agents that deliver to the group (GLOBE 2004); while LCM2 exhibits low humane orientation, meaning a strong demarcation between employees and leaders/managers, formal and bureaucratic organisational structures. Yet, LCM2 is also trying to encourage initiative and independence associated with higher humane orientation, showing how value dilemmas arise when organisations attempt to codify universal competencies.

The models are sometimes different, and sometimes share similarities (e.g. high performance orientation). However, in terms of their implicit cultural assumptions, and leadership strategies, they are equally limited by an ethnocentric outlook, and a failure to accommodate new, sometimes contradictory values that are, nonetheless, vital to leadership success in a globalising business.

#### Comparison of the three models

All three models have highlighted the way national culture influences the framing of global leadership competencies and behaviours. The dissonance of cultural values both within the models, and inevitably among the leaders charged with implementing the model, are far-reaching, and highlight the cultural contingencies that will need to be factored into wide-scale change programmes.

A high performance orientation is a key feature of all three models. But again, the differing strategies and competencies employed in the models to achieve this aim reflect the relative impact of specific cultural norms and values. LCM1 and LCM3 exhibit similar Anglo cluster cultural values, including low uncertainty avoidance, high individualism and personal accountability. Such values create dissonance in a model that is fundamental to a major change programme focusing on business results.

Of the three models, LCM3 exhibits the greater transformational leadership bias and change tolerance underlined by strong humane and relational orientation; but again, an unusually high power distance in the model compromises these inherent values. LCM2, on the other hand, combines high performance orientation with low humane orientation, data oriented communication style, and a stronger focus on task orientation and transactional leadership. Again, cultural contingency is acknowledged in LCM3 through more moderate (than usual) uncertainty avoidance; however any embrace of innovation and risk taking is tempered by highly prescriptive, low context communication and low humane orientation.

Though communication in LCM3 is also low context, it has a far greater transformational emphasis informed by high humane orientation and high in-group collectivism. The transformational and charismatic values inherent in LCM3 are also evident in the more abstract behaviour descriptors – also a feature of LCM1, which is of similar length to LCM3, and contrasts with the longer, more detailed and prescriptive LCM2.

LCM3 is unique in the way it links the leadership brand to the organisational brand, a strategy said to underline C3's long-standing business success. As noted, leadership branding (Intagliata, Ulrich and Smallwood 2000) is a US-centric leadership approach emerging from a high individualism and performance orientation culture. But while the leader brand is distinctive, the ascribed competencies may be too abstract and charismatic to gain acceptance both within the German and Anglo-European society clusters. This relates to the failure to include functional competencies in LCM3 - unlike LCM1, which uniquely outlines such specific leader attributes.

#### **4.6 Chapter summary**

In modern global organisations leaders need to communicate with, drive and encourage employees in cross-cultural environments, yet are limited by competency frameworks that do not account for divergent cultural values and behaviours. Accordingly, the above analysis of competency models developed and deployed in the German, Dutch, UK and US environment show a need for value dilemma reconciliation as follows:

1. High and moderate individualism
2. The divergent leadership practices associated with strong performance orientation
3. Moderate and low uncertainty avoidance
4. Low and high power distance

5. Low and high humane orientation
6. Transformational and transactional leadership

Much of the theory supporting LCMs derives from the US and is bereft of cross-cultural relevance (Pedersen 2004). The above analysis indicates that within the Anglo-Dutch-German environments, culture will impede a unified understanding, acceptance and enactment of many of the competencies and behaviours identified. Similarly, the deployment of North American based models based on transformational leadership will be problematic in the German environment and vice versa.

The three models analysed make varying attempts to acknowledge the impact of cultural dimensions on leadership competence within a multinational environment. With this awareness, companies have built a strong foundation on which to develop LCMs with genuine intercultural applicability.

Following the first two chapters, which reviewed extant primary and secondary research on multinational leadership, culture and global leadership competencies, this chapter has compared cultural values in three leadership competency models. It attempts to understand which national culture-specific issues may impede the efficacy of a LCM's application across cultural regions.

Chapters 5 to 7 will present the findings of the primary research. This comprises thematic interviews with business leaders and HR managers regarding their experience implementing LCMs in a cross-cultural context. Chapter 5 will outline and analyse leader opinions regarding essential leader competencies in MNCs, and will thus address some key questions of this research project:

1. What are the essential competencies cited by executives in the UK, NL, US and Germany for leading in a multinational environment?
2. Are those competencies reflected in the LCMs under investigation?
3. Are the behaviours, competencies and values in the LCMs under investigation meaningfully transferable across cultures?

## Chapter 5

### **Data analysis: Essential competencies for leading in a multinational environment and leaders' understanding of their leadership competency model**

#### **5.1 Introduction to chapter**

Chapter 4 analysed the way culture informs specified leadership behaviours and competencies in three global LCMs, concluding that such implicit, and explicit, cultural values will need to be reconciled if a universal LCM is to empower global leaders to achieve cross-cultural synergies. Having established that culture underpins the value dimensions and competencies in the three LCMs, however universally endorsed these may be, chapters 5, 6 and 7 present the research findings based on interviews with 38 leaders charged with enacting these models globally.

These thematic interviews underpin a study of leader opinions about successful leadership in MNCs, and will address the key questions of this research project: can the behaviours, competencies and values in the LCMs under investigation be effectively implemented; are they meaningfully transferable across cultures; if not, what are the essential competencies for leading in a multinational environment; and should universal LCMs be a tool for effective global leadership?

In short, the aim of the following three data analysis chapters is to present data on essential competencies for cross-cultural leadership from the perspective of global leaders, and investigate the level of agreement on cited competencies in the LCMs under scrutiny. While continuing to engage the detailed literature review on leadership, cross-cultural leadership and leadership competence models in chapters 2 and 3, the primary research will investigate leader opinions via seven specific categories as follows:

1. Essential competencies and behaviours for leading in a multinational environment based on executives' experience
2. Competencies and behaviours comprised in the LCMs which overlap/or are in addition to essential competencies and behaviours in category one
3. Ease of implementation of the 3 LCMs
4. Impact of culture on implementation of the 3 LCMs

5. Additional competencies and behaviours required which are not included in the LCMs
6. Practicality of universal leadership models
7. Factors which support the efficacy of a universal model

As discussed in the methodology, the categories relate to questions posed to the respondents during semi-structured qualitative interviews (the full questions are included in Appendix A). As also noted, these semi-structured interviews utilised a topic guide that gave the interviewer a basic framework to structure the discussion - though the latter was also allowed to develop freely, as befits a qualitative interview. This analysis will underpin the broader research question, which is to clarify the extent to which three LCMs are transferable across cultural regions in MNCs.

Chapter 5 presents findings based on a comprehensive data analysis of categories 1, 2 and 5. It examines leaders' views on essential competencies/behaviours for leading in a multinational environment, their interpretations of competencies/behaviours contained in their respective LCMs, and the omissions and shortcomings of these prescribed competencies.

Chapter 6 will present the findings from categories 3 and 4 concerning ease of implementation of the LCMs, and the impact of national culture on the transfer of LCMs across regions.

Chapter 7 focuses on the findings of categories 6 and 7 and presents the observations on the practicality of employing universal LCMs in MNCs, and the factors perceived as fundamental to the successful application of universal models across regions.

The accumulated findings will be presented in the conclusion in Chapter 8, where the results and significance of the findings will be analysed and discussed.

## **5.2 Essential competencies and behaviours for leading in a multinational environment**

The 38 leaders drawn from the three multinational corporations sampled in this study were asked to cite, based on their experience, competencies and behaviours they believed essential for leading in a cross-cultural context. 78 individual competencies and/or attributes were identified as essential for leading in a multinational environment, and will be analysed in terms of:

1. Essential competencies
2. Associated behaviours

### 5.2.1 Essential competencies

The competencies and attributes considered by leaders as essential to lead in a multinational environment are set out in Table 13:

Cited Competency	Levels of Agreement	Cited Competency	Levels of Agreement	Cited Competency	Levels of Agreement
Intercultural Competence	15	Planning Skills	1	Ensuring Clarity on Business Model	1
Empathy	14	Innovative	1	Ability to Set Priorities	1
Communication Skills	13	Focusing on Goals & Objectives	1	Patient	1
Flexibility to Operate in Different Cultures	9	Being a Role Model	1	Ability to Work Towards Targets	1
Motivational Skills	7	Responsible	1	Ambitious	1
Building a Shared Vision	7	Standing up for Beliefs	1	Self Motivated	1
Translating Vision	7	Pro-active	1	Pragmatic	1
Trustworthy	5	International Management Skills	1	Persuasive Ability	1
International Leadership Skills	5	Accurate	1	Being Results Oriented	1
People Skills (Relating to People)	5	Learning Agility Skills	1	Forgiving (accepting of mistakes)	1
Open	4	Experienced	1	Respectful	1
Adaptable Leadership Skills	4	Sensitive to the Level of Competence of the Subordinate	1	Educational Skills	1
Team Management Skills	4	Ensuring Clarity on Expectations	1	Accepting Mistakes	1
Coaching & Guidance Skills	4	Positive	1	Travelled	1
Language Skills	3	Structured Work Ethic & Ability	1	Aware	1
Team Spirited	3	Ability to Reflect	1	Understanding	1
Creative	3	Self Confident	1	Reflective	1
Change Management Skills	3	Analytical Skills	1	Diversity & Inclusion Skills	1
Management Skills	3	Having Integrity (standing up for one's beliefs)	1	Worldly	1
Strategic Skills	2	Ability to Make Complex Simple	1	Ensuring Clarity and Common Understanding on Actions	1
Tolerant	2	Visible	1	Integrator	1
Networking Skills	2	Passionate	1		
Being Personally Interested in Team Members	2	Honest	1		
Authentic	2	Ability to Make Complex Simple	1		
Courageous	2	Energetic	1		
Virtual Work Skills	2	Passionate	1		
Computer Skills	2	Knowledge of Human Nature	1		
Delegation Skills	2	Process Orientation	1		
Conflict Management Skills	2	Facilitation Skills	1		
Efficient	2	Accessible	1		

Table 13 Essential Competencies for Leading in a Multinational Environment

Column 1 shows competencies and attributes that multiple leaders agreed are essential to leadership in a multinational environment (31 competencies and attributes in total); column 2



and column 3 show competencies cited by only one leader (48 in all). Leaders held a wide range of views regarding essential competencies for leading in a multinational environment, while definitions of competencies also varied greatly from organisation to organisation. Other studies have noted such a range of opinions. The Chase Manhattan Bank, for example, developed a model for its global leaders that identified 250 competencies; by contrast, organisations such as 3M and IBM include only 11 and 12 competencies respectively (Bird and Osland 2004) – it should be noted that these latter competencies were not grouped, the low number merely illustrating wide differences in organisational culture.

The very high range of competency definitions, and the high number of competencies cited, indicate that leaders tended to base cited competencies on their own experience, values and beliefs rather than their relevant LCM. Unsurprisingly, HR professionals charged with formulating these models showed a higher level of familiarity with competencies in the LCMs than the other participants. While both business and HR leaders (11 of the 38 leaders or 29% of participants) shared a common belief that interpersonal competencies were central to effective cross-cultural leadership, HR leaders were, in percentage terms, significantly more familiar with a model they were charged to administer, and which would serve as a benchmark in personnel management.

In quantitative terms, the competencies and attributes cited by the respondents were highly disparate. However, when grouped into similar competencies and attributes, and clustered where agreement levels were highest, five core competence areas emerged:

1. Communication skills/attributes
2. Cross-cultural skills/attributes
3. Motivational and people skills/attributes
4. Visionary and strategic skills/attributes
5. Geocentric situational and relational leadership skills/attributes

Core competency 1, for example, emerged when the items in Table 13 pertaining to communication are grouped and totalled by number of leaders – there were 25 citations concerning the importance of communication skills and related attributes for leadership in a multinational environment. Table 14 provides an overview of the level of agreement reached on competencies clustered under the five core competence and attribute areas.

1. Communication Skills (25 Leaders)	Levels of Agreement	4. Visionary & Strategic Skills (21 Leaders)	Levels of Agreement
Communication Skills	13	Building a shared vision	7
Language Skills	3	Translating vision	7
Conflict Management Skills	2	Focusing on goals and objectives	1
Computer Skills	2	Ability to work towards targets	1
Ability to Make Complex Simple	1	Being results oriented	1
Facilitation Skills	1	Ensuring clarity on business model	1
Persuasive Ability	1	Ensuring clarity on expectations	1
Ensuring Clarity on Business Model	1	Ability to set priorities	1
Ensuring Clarity and Common Understanding on Actions	1	Ensuring clarity and common understanding on actions	1
2. Cross-Cultural Competence Skills (34 Leaders)	Levels of Agreement	5. Geocentric Situational & Relational Leadership Skills (30 Leaders)	Levels of Agreement
Intercultural Competence	15	International Leadership Skills	5
Flexibility to Operate in Different Cultures	9	Team Management Skills	4
Empathic abilities	7	Adaptable Leadership Skills	4
International Management Skills	1	Change Management Skills	3
Diversity and Inclusion Skills	1	Customer Management (Care) Skills	3
Related Attributes (18 Leaders)		Conflict Management Skills	2
Empathic	7	Virtual Work Skills	2
Open	4	Delegation Skills	2
Tolerant	2	Planning Skills	1
Aware	1	Analytical Skills	1
Respectful	1	Being a Role-Model	1
Travelled	1	Learning Agility Skills	1
Understanding	1	Structured Work Ethic and Ability	1
Worldly	1	Related Attributes (35 Leaders)	
3. Motivational & People Skills (19 Leaders)	Levels of Agreement	Trustworthy	5
Motivational Skills	7	Creative	3
People Skills (Relating to People)	5	Authentic	2
Coaching and Guidance Skills	4	Efficient	2
Networking Skills	2	Strategic	2
Educational Skills	1	Courageous	2
Related Attributes (8 Leaders)		Ambitious	1
Team Spirited	3	Energetic	1
Being Personally Interested in Team Members	2	Experienced	1
Knowledgeable of Human Nature	1	Forgiving (Accepting of Mistakes)	1
Reflective	1	Having Integrity (Standing up for One's Own Beliefs)	1
Sensitive to the Level of Competence of the Subordinate	1	Honest	1
		Innovative	1
		Passionate	1
		Patient	1
		Positive	1
		Pragmatic	1
		Pro-active	1
		Responsible	1
		Self confident	1
		Self Motivated	1
		Visible	1
		Integrator	1

Table 14 Cited Competencies and Attributes based on Levels of Agreement

### **5.2.1.1 Focus on personal competencies and performance orientation**

There was some indirect congruence between the 78 essential competencies/attributes cited by leaders, and the competencies comprised in the three LCMs, especially in the area of cross-cultural intelligence, motivational and communication skills, situational leadership and visionary competencies. Such performance-oriented personal competencies also exhibited a high humane orientation, indicating some awareness of the need to reconcile these values in the international environment.

The clustered core competencies cited independently by leaders correlate with universal leadership competencies outlined in studies of global leadership. Yeung and Ready (1995), for example, identified eight universal capabilities including articulate, visionary ability, catalyst for strategic and cultural change, and results orientation; Black, Morrison and Gregersen (1999) identified ways to develop global leader capabilities such as inquisitiveness, duality and savvy; Rosen et al. (2000) categorised leadership universals under the categories personal, social, business and cultural literacies; and McCall and Hollenbeck (2002) identified 10 core competencies that are inherent in global leadership, including open-minded and flexible, culture interest and sensitivity, and honesty and integrity.

Mendenhall and Osland's (2002) review of empirical and non-empirical literature on global leadership revealed 56 competencies, from which they derived six core competency dimensions: cross-cultural relational skills, traits and values, cognitive orientation, global business expertise, global organizing expertise, and visioning. Osland et al. (2006) used this categorisation to depict the sum of competencies identified in empirical research in the past 15 years (see Figure 17). Interestingly, a significant overlap can be discerned between leaders' opinions in this survey, drawn from seven countries, and much research to date on global leadership as published in the Handbook of Research into International Human Resource Management (Stahl and Björkmann 2006), derived from leaders from over 60 countries.

The clustered leadership competencies/attributes cited by leaders in this study also parallel the charismatic/value-based leadership prototype defined by the GLOBE project: which included visionary, self-sacrificial, integrity-based and decisive attributes (Brodbeck et al. 2004). As stated in Chapter 4, the key leadership capabilities in the Anglo, European and US models under investigation are designed to enhance performance orientation. The GLOBE project noted a similar congruence in Anglo, and Germanic/European clusters, arguing that when organisations and cultures "value performance improvement and have ambitious goals that demand excellence" they are "more likely to accept and expect leaders who enact value-based charismatic leader behaviours" (Brodbeck et al. 2004 p703).

### 5.2.1.2 Overlaps with leadership competences and attributes from the GLOBE study

Table 15 shows the level of congruence between the universal leadership attributes cited by the GLOBE research project, and those cited by leaders in this study (for the complete GLOBE lists see Appendix V). It is relevant to note that leaders in this study cited attributes and competencies essential for leadership in a multinational environment (in contrast to the transnational studies above), while the GLOBE project tested the attributes on a national basis.

GLOBE Attributes	GLOBE Corresponding Primary Leadership Dimensions	Findings
Trustworthy	Integrity	Trustworthy
Honest	Integrity	Honest
Plans Ahead Foresight	Visionary	Building a Shared Vision Ensuring Clarity on Business Model
Dynamic	Inspirational	Passionate
Motivational Encouraging	Inspirational	Coaching and Guidance Skills Persuasive Ability
Administratively Skilled	Administratively Competent	Structured Work Ethic and Ability Process Orientation
Communicative	Team Integrator	Communication Skills Language Skills
Team Builder	Team Integrator	Being Personally Interested in Team Members Networking Skills
Excellence Oriented	Performance Oriented	Focusing on Goals and Objectives Ability to Work towards Targets Being Results Oriented

Table 15 Comparison between Findings and the GLOBE Project Universal Positive Attribute (Amended GLOBE Leader Attributes and Dimensions cited in GLOBE 2004 table 21.2 p677)

In quantitative terms, 17 of the attributes cited by leaders directly correlate with 11 of the 22 universal positive attributes included in the GLOBE study. However, of the 35 culturally contingent attributes identified by the GLOBE researchers, only three correspond with culturally contingent competencies outlined in the findings - these include the need for leaders to be “ambitious”, “sensitive” and “worldly” (GLOBE 2004 p679). This indicates that the leaders in this study were focused on attributes that would best transfer in multinational environments.

### 5.2.1.3 Overlap between cited competencies and LCMs

Interestingly, there is no overt, literal correlation between the essential competencies cited by the leaders, and the core competences contained in the LCMs – indeed, cited leader attributes tended to correspond more with those cited by the global leadership researchers than the actual LCMs. However, it is possible to glean ‘implicit’ correlations between diverse cited

competencies and those behaviours listed in the LCMs. Such subtle correlations are drawn out in Table 16, and serve to show how the secondary behaviours in the models, however hidden, are an acknowledgment of the global realities of multinational, cross-cultural leadership.

The importance of recognising cultural variants in performance-oriented leadership, as indicated in previous studies (Hofstede 1991, Schneider and Barsoux 1997, Trompenaars and Hampden-Turner 1998, GLOBE 2004) was repeatedly stressed in the interviews. When elaborating the inadequacies of their respective LCMs, the leaders repeatedly stated a need to emphasise ‘values and differences’. Such ambiguity increased the disparity between the key competencies cited by the leaders and those contained in the LCMs.

“The take away is missing ... What are the top five core competencies?”


 C2 / L1

“The importance of being open to and respectful of other cultures should be clearer – it needs more emphasis.”

 C2 / L5

Leaders tended to focus on cross-cultural intelligence, and situational and visionary leadership skills, attributes that were missing in the LCMs. Of the nine core competencies in LCM1, two focused on communication and cross-cultural intelligence, four on situational leadership, and one on visionary competence; and of 38 behaviours in LCM2, five refer to communication and intercultural intelligence, three situational leadership, and four visionary skills. However, few leaders believed that the LCMs actually facilitate the adoption of these relational and situational behaviours. This perceived gap between theory and practice in the LCMs was said to limit their effectiveness in a multinational environment.

“There is nothing missing, they are all there but the gap between theory and practice is quite large.”

 C1 / L1

However, some correspondence can be drawn between the cited competencies and the secondary behavioural indicators included in the LCMs when clustered into groups. Table 16 illustrates where the five clustered core competencies cited by the leaders can be identified in the three LCMs.

	Corporation 1	Corporation 2	Corporation 3
1. Communication	<p>Capability: Encourages different perspectives and actively seeks to challenge own opinion</p>	<p>Providing guidance and managing performance: Explaining the corporate strategy Expressing clear performance expectations Giving staff honest and detailed feedback</p>	<p>Communicates effectively and candidly: Demonstrates strong two way communication skills Coveys ideas in an open, articulate and timely manner Leads through influence Networks, communicates and builds alignment with key customers and stakeholders Positively influences others to take action</p>
2. Cross-Cultural Competence	<p>Values Differences: Seeks and utilises diverse inputs and people to achieve desired results Encourages different perspectives</p>	<p>Making staff and teams successful: Promoting a spirit of trust and cooperation mutual esteem and team spirit, taking cultural differences/diversity into consideration Exercising management responsibility: Being open to and respectful of other cultures</p>	<p>Achieves through teamwork: Is open to others' diverse ideas and leverages the team's differences to achieve results A leader's ability to collaborate across boundaries is critical to ensure he/she acquires the best thinking on business issues and problems</p>
3. Motivational and People skills	<p>People: We motivate, coach and develop Creates and tailors environments maximising individual's motivation and support learning Delivery: Encourages a learning organisation culture in which people admit and learn from mistakes and adopt and build on other's solutions Teamwork: Values differences Draws the best out of each individual through demonstrating respect for their contributions, enabling them to fulfil their potential Displays personal effectiveness: Leverages interpersonal sensitivity, to influence others</p>	<p>Motivating and developing staff: Motivating staff through suitable measures Being able to achieve even difficult goals without compromising staff motivation Creating systematic learning opportunities Motivating and developing staff: Promotes a spirit of trust and cooperation Paying close attention to social synergies</p>	<p>Build and leverages talent: It is every leaders' job to focus on the development of his/her people Seeking out top talent, rewarding achievement and supporting diversity of thought and perspective Achieves through teamwork: Works cooperatively as a member of a team Achieves through teamwork: Leverages the team's differences to achieve results The complexity of business means that leaders must rely on others like never before Ability to collaborate across boundaries is critical</p>
4. Visionary and Strategic Skills	<p>Builds shared vision: Demonstrates the entrepreneurial flair and financial acumen to translate strategic opportunities into specific plans for growth</p>	<p>Providing guidance and managing performance: Explaining the corporate strategy and strategy of one's own unit Developing and implementing client-focused strategies Providing innovative impulses Developing their own strategy</p>	<p>Plans and acts strategically: Leaders must be able to form a vision and communicate overall strategy Develops a clear and compelling vision, strategy or action plan that is aligned with the organisation's goals</p>
5. Geocentric Situational & Relational Leadership Skills and Attributes	<p>Focus: Deliver results Establishes and communicates performance expectations and sense of urgency Manages uncertainty and boundary/lessness: Makes decisions with incomplete or conflicting data Retains bias for action Drive: Has drive and resilience Demonstrates courage, accepts personal accountability Discipline: Displays personal effectiveness: Displays genuineness, openness and self-awareness. Acts with integrity to a clearly expressed set of values Teamwork: Challenge and support: Displays self-confidence appropriate to differing situations</p>	<p>Developing and implementing client focused strategies: Displaying a clear understanding of performance Steering the results of one's unit Exercising management responsibility: Serving as a credible role-model through one's own performance and behaviour Willingness to adopt an exposed position, bear responsibility and take necessary risks Making decisions quickly, courageously, pragmatically and logically Initiating and driving necessary changes Further developing oneself, using feedback to do so</p>	<p>Executes for results: Relentlessly pursues achievement of goals in the face of obstacles Personally accepts accountability for results Communicates effectively and candidly: Leaders need to be comfortable having a point of view Executes for results: Upholding the highest standards of fairness, honesty and integrity</p>

Table 16 Core Competences Matched to the 3 LCMs


The following is a detailed comparison of the core competencies cited by leaders, and the behaviours/attributes comprised in the model.

## **5.2.2 Analysis of core competency areas**


### **5.2.2.1 Core competence 1: Communication skills/attributes**

Leaders from all three corporations cited communication competence as essential for leading in a multinational environment. Listening, language, empathy, clarity, facilitation, filtering, cultural sensitivity, adaptability, persuasiveness, virtual communication skills, and the ability to translate vision and goals and ensure common understanding, were viewed as intrinsic communication characteristics. The statements concerning communication were many and varied: cross-cultural communication, language skills-language competence, positively influencing people, ability to communicate goals and visions, were all paramount in the leader's thoughts.


“Communication skills across cultures are the most essential skills.”

 C3 / L1

“So to communicate ... obviously you need a language skill and ... a sensitivity of the language because it will make a difference in multicultural groups ... the networking and the communication ... you would need a more open personality than if you were just working in your own culture ... the positive influencing and collaborating to inspire ... you really need to know what actually inspires people from different cultures.”

 C3 / L3

“... part of the communication is this whole sort of listening thing, and being prepared to adjust and iterate ... at the local level ... but still not compromise global objectives.”

 C1 / L8

According to Thomas and Osland, cross-cultural communication skills can be supported by general knowledge about cultural behaviour; however knowledge about the communication process, language, communication style, and non-verbal communication is requisite for effective cross-cultural communication competence (Thomas and Osland 2004 p97). Ting-Toomey (1999) defines “mindful communication” as a symbolic exchange in which individuals interactively negotiate shared meanings; an in-depth knowledge of the culture of the other party is an important step in negotiating shared meaning (Thomas and Osland 2004

pp96-97). Language fluency (Brein and David 1971, Ting-Toomey 1999) , language accommodation (Gallois and Callan 1977), recognition of the difference between high and low-context communication (Hall 1977), succinct versus elaborate communication (Gudykunst, Ting-Toomey and Chua 1988), and knowledge and acumen in non-verbal communication (Noller 1984) have been identified as instrumental to effective cross-cultural communication.

MNCs often adopt a common corporate language to facilitate the process of communication between HQ and the regions. According to Marschan-Piekkari and Welch (1999), language standardisation is advantageous from a senior management perspective: it supports formal transnational reporting, improves access to company documents, and creates a sense of community to a global corporate family. English is frequently chosen as the lingua franca due to the importance of the Anglophone markets, the economic power of the USA, and its currency on the internet (Marschan-Piekkari and Welch 1999). All three organisations in this study use English to communicate across transnational boundaries, and the LCMs are available in English.

The adoption of a standardised English-language approach by MNCs does not, however, resolve language diversity associated with daily business. Vandermeeren (1999) argues that international business interaction is not a monolingual event: indeed, communication in MNCs, and in the three organisations in the study, is carried out in a mixture of languages. Thus, leaders in this study were cognisant of the role of the language barrier in communication and stressed the importance of translating the LCM into the respective reference language of the leaders to facilitate understanding.


Intercultural communication researchers back this view, with Barner-Rasmussen and Björkman (2003), for example, conceptualising the multinational corporation as a multilingual organisation. According to Marschan-Piekkari and Welch (1999), language as a separate variable has received little attention in international HR management, while Osland et al. (2006) identified a lack of 'language ability' in their summary of global leadership competencies.

A dearth of multi-lingual capability was evident in the three LCMs examined in this study: this was lamented as an oversight by leaders, who argued that a common understanding of the models had been sacrificed, and suggested the models be translated for the various regions. One C3 leader lengthily emphasised the importance of inter-cultural communication, and the



way presumptions of cultural literacy in the relevant LCM forces cross-regional leaders to attempt translations that ultimately lose their meaning.

[It's a] white Anglo-Saxon based take on leadership competencies. That would always ... rely on the sensitivity, the awareness, the ability of the leader to translate that into a multicultural environment ... it presumes that that's a given. It doesn't actually give any ... consideration or guidance in that. [The competencies] are a reasonable starting point ... but you will need ... to spend time to ensure that your team and everybody understands it the same way. You will need to translate them ... or interpret them I think. So now you wouldn't be even sure to come up with the same result in the end ... Because it is open to translation and interpretation and adaptation.”

 C3 / L3

Another C3 leader expressed similar frustrations regarding the gap between communication theory and practice.

“... we think we are communicating effectively and we're not. So there's a perception in here, working out of all the information, we're sharing it as best as we can but out on the market they don't think we sharing very well from the other's perspectives. So it's communication, it's training, it's communication, it's local relevance.”

 C3 / L12

Communication relates to the need for leader's to translate corporate vision and positively influence stakeholders. As both C1 and C3 leaders stated:

“Translating the vision is definitely more important in a multinational environment.”

 C1 / L10

“Articulating the vision. Local versus global issues – managing the language barrier.”

 C2 / L1


Five of the 22 universal leadership attributes identified by the GLOBE project (2004) under charismatic/inspirational leadership refer to a leader's ability to positively influence: encouraging, positive, dynamic, motive arouser, confidence builder, motivational. These are dependent on a leader's ability to translate organisational vision via context appropriate communication. According to Bird and Osland, “in its most basic form, effective managerial behaviour in a global context involves the ability to communicate across cultures” (2004

p67). Again, translation, clarification and intercultural communication were a consistent theme, especially among C1 and C3 leaders who complained of an overly ethnocentric model.

“Using clear language, being more sensitive to understanding ... to translate and facilitate understanding.”

 C3 / L4

“Ability to clarify goals, priorities and direction.”

 C1 / L6

It should be noted that the high performance oriented societies from which the leaders originate tend to use low-context language (Hall 1973), emphasising the need to be direct, clear and explicit. However, participants were very aware of the need for culturally sensitive communication that takes account of the high-context orientation of societies that tend to practise less direct, more ambiguous and more subtle language (Schneider and Barsoux 1997). Leaders therefore noted that the greatest problem with low-context models would be in transferring them to high-context cultures, revealing a fundamental aspect of the impact of national culture on the transfer of LCMs. Multinational leaders in C1 were especially aware of such shifts in context.

“It is important to be articulate, to the point, not saying things over and over again.

Take the English and the Chinese for example; you can't communicate to both cultures in the same style. It would be offending for the one and flaky for the other.”

 C1 / L1

“Articulating well. Translating. Knowing that there are different ways to get the right information and get the message across.”

 C1 / L10


### **5.2.2.2 Core competence 2: Cross-cultural skills/attributes**

Like core competence 1, the leaders broadly articulated the category cross-cultural competence. The most heavily cited competencies in this category were: empathic, intercultural competence, and flexibility to operate in different cultures. The highest levels of agreement were achieved when leaders discussed the importance of cross-cultural competence and related sub-themes under core competency 2.


“Awareness of diversity and understanding the differences between nationalities and being able to cope with that.”

 C3 / L9

“Empathy, cross-cultural sensitivity, ability to self-regulate in an intercultural context ... Taking intercultural context into consideration when making decisions, not just going ahead and doing things the way you think they are appropriate.”

 C1 / L4

Leaders identified knowledge as an essential foundation of cross-cultural competence: knowledge of country values and corporate culture, understanding how different countries work, knowledge of self, and awareness of diversity. In addition, effective cross-cultural leadership was linked to certain personal traits including sensitivity, empathy, openness, fair-mindedness; and interpersonal skills including self-regulation skills, utilising diversity, and context appropriate motivational and communication skills. Finally, cross-cultural leadership competence included the need for situational leadership skills and the ability to balance global and local needs. “... I think the question is of knowing within your leadership model ... where you believe there is need to flex in response to cultural, local norms.”

 C1 / L8

The cross-cultural competencies identified by leaders compare to the building blocks of global competencies posited by Bird and Osland (2004) as illustrated in Figure 21.

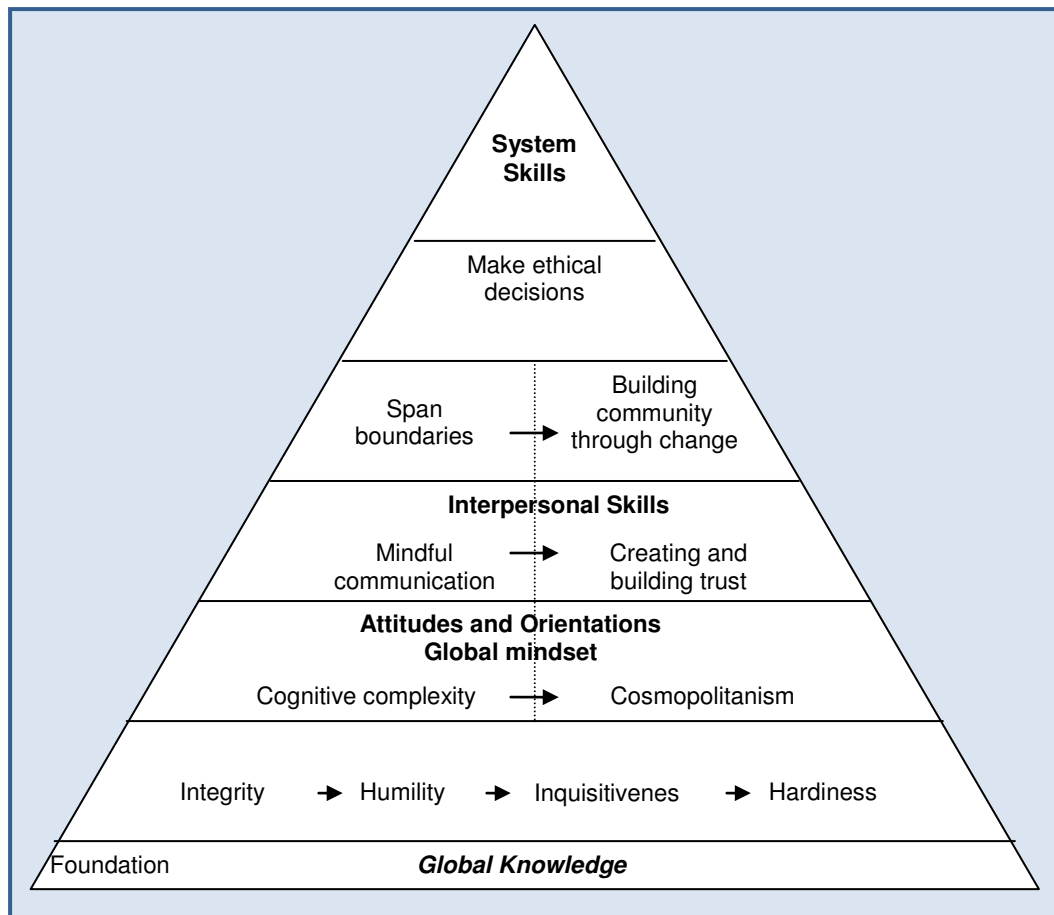




Fig.21 The Building Blocks of Global Competencies (Bird and Osland 2004 p66)

The diverse cross-cultural attributes identified by the leaders also correspond with many of the 22 GLOBE universal attributes, including trustworthy (comparable to ‘creating and building trust’ in the Bird and Osland model); motivational (comparable to interpersonal skills in the Bird and Osland model); and communicative. Described elsewhere as boundary spanning skills (Osland, Mendenahll and Osland 2006), the GLOBE researchers argue that such situational and relational leadership competencies create leaders who become global coordinators and team builders (GLOBE 2004). Leaders from all three MNCs surveyed independently cited the need for cross-cultural sensitivity.

“You need empathy and cross-cultural sensitivity, to be a good listener, to have the ability to find out what lies beneath, to tailor one’s own approach and try to make things workable for the other party.”

 C1 / L4

“Cross-cultural skills are most essential, understanding differences is necessary and learning from those differences. Listening and taking yourself back. There is a need to be able to handle your own ego to appreciate diversity and be inclusive.”

 C3 / L3

“Intercultural competence, respect and personal relationships based on trust, face to face relationships and building an atmosphere with fewer barriers.”

 C2 / L6

Broad validation of the need for cross-cultural leadership among researchers (Hofstede 1991, Schneider and Barsoux 1997, Trompenaars and Hampden-Turner 1997, Morrison 2000, Emiliani 2003, GLOBE 2004) has been borne out in the leaders’ own personal values. Though the three LCMs also recognise, to some extent, the relevance of cultural variables to outstanding leadership, the models do not match the leaders’ own emphasis on cross-cultural competence.

### **5.2.2.3 Core competence 3: Motivational and people skills**

Being good at articulating and translating – articulating where you want the organisation to go ... No matter if multinational or not.

 C1 / L10


...people are the glue between complexity and the process of managing it. Managers embroiled in the complexity of globalization must understand people - themselves, and those with whom they work - in order to link complexity with processes (Brannen et al. 2004 p27).

Like cross-cultural competency, motivational and people skills elicited wide agreement among leaders from all three corporations as indicated in Table 14. The most heavily cited competencies in core competency 3 included: motivational skills, people skills (relating to people), and coaching and guidance skills, with 19 leaders citing these competencies as essential to lead in a multinational environment.

The findings indicate that leaders in each MNC attached importance to the cultural contingency of motivation leadership – as posited in the motivational leadership theories of Vroom (1964), McClelland (1961b), Locke (1968) and Skinner (1969) - when leading in cross-cultural environments. The need for leaders to appreciate, leverage and manage the

diversity of global teams was posited. Leaders stressed the importance of motivating team members to achieve set goals by understanding, and practising, emic or culturally endorsed motivational behaviours.

“[To know] what is an opportunity or growth or rewarding achievement you need to understand the needs of the culture you are dealing with. And obviously as a skill you need to be evolved enough yourself.”

 C3 / L3

Leadership researchers note that performance management in a multinational environment is challenging because members are likely to bring widely disparate viewpoints about appropriate ways to reward, recognise, evaluate, train and develop global team members. “If the many failures of implementing global teams ... worldwide could be faced to one single factor, that factor would most likely be inappropriate reward and recognition strategies” (Kirkman and Den Hartog 2004 p251).

Appropriate reward and recognition strategies are impacted strongly by societal and organisation culture. As discussed in Chapter 3, the GLOBE project argued that motivational leadership practice and style is different in humane and performance-oriented cultures depending on the associated value dimensions. Power distance (Hofstede 1991, GLOBE 2004), for example, will have a strong impact on the leader and follower relationship, and an organisation’s attitude to performance management, motivation of employees, and the associated monetary or intrinsic reward systems; while individualism and collectivism will obviously shape societal and organisational member expectations concerning individual based rewards or group-team rewards. Reward and recognition systems are often based on Western goal models and a task-oriented conceptualisation of work, and are thus less likely to be successful in Eastern cultures, or in countries where work is less central to culture (Lane et al. 2004 p268).

#### **5.2.2.4 Core competence 4: Visionary and strategic skills**

“It needs translating so that they actually connect with it ... translating this takes cultural intelligence.”

 C3 / L2

Visionary (and to a lesser extent strategic) skills were cited as essential for leading in a multicultural environment by 21 of 38 leaders. Levels of agreement centred on two competencies in equal measure: building a shared vision, and translating that shared vision. The importance of visionary leadership, with the two corollaries of building and translating the corporate vision, was cited as fundamental to the global leadership function by Yeung and Ready (1995), who argued the importance of leadership capabilities to articulate the corporate vision; Goldsmith et al. (2003), who identified shared vision and thinking globally as essential leadership dimensions; while Kets de Vries, Vrienaand and Florent-Treacey (2004) included envisioning and global mindset in the 12 dimensions of their proposed 360-degree feedback instrument titled GlobeInvent.

There is general consensus in academic literature that a ‘shared vision’ on a global scale is only effective when global stakeholders can identify with this vision (Den Hartog 2004). Leaders stressed that vision was often not shared across the regions unless universal models when accompanied by adequate training and translation. As one C1 leader wrote, “... it must be interpreted and tailored to different cultures.”

 C1 / L5


We, as a company, when we push out something new, like for example the values ... it wasn't really discussed that much outside of the US. Like they popped up on the radar, like, oh, wow, what's this? ... If we do this on a universal model there has to be heavy training, so people go in the market and answer questions on how this is works.

 C3 / L12

The leaders also recognised that leadership rhetoric and communication style is an emic behaviour reflecting high individualist or low-context orientation, and needs to appeal across diverse contexts. In the case of the LCMs that reflect low-context, western style leadership, the need to translate the vision in a non-aggressive manner suitable to a high-context collectivist culture norm was repeatedly stated.

Den Hartog (2004) argues that leaders need to possess an overarching and appealing vision that allows for the integration of different perspectives in a complex multinational environment. Leaders thus need to master the challenge of “convincingly presenting their vision” to multicultural and diverse communities via “the ability to decide, communicate, and interact in a culturally sensitive and appropriate manner” (Den Hartog 2004 p176).

“You have to engage the people. This is not done at all at C1.”


 C1 / L15

Leaders in the study referred to the need for a leader to meaningfully articulate a vision that “will act as a glue” and “provide a sense of direction.”

 C2 / L8


Den Hartog and Verbung (1997) similarly argue that visionary leadership gives followers a sense of future purpose that acts as a powerful motivating force. According to Whittington (1993), visionary leadership acts as a mechanism for change, arousing ideals to shape strategy and inspire action. While senior management often define organisational visions and strategy, middle management leaders (those sampled in this study) must utilise this strategy to enhance corporate objectives in diverse regions (Den Hartog and Verbung 1997).

“... what is the vision ... do we have clarity around that vision? I think the vision thing is also around where you’re going but also how you get there, not only in terms of ... functional targets but also value targets as well.”

 C1 / L8

The complexities of articulating and motivating around strategic vision require well-articulated relational, situational, communication and cultural competencies. Yip (1995), Pralahad and Doz (1987), Bartlett and Ghoshal (1989), and Harzing (1995) stress the need for different leadership behaviours – i.e. contextual leadership, or emic leadership behaviours - to successfully translate vision into goals across diverse regions.

“You have to translate the vision for people in a multinational environment; you need to be able to adjust and iterate at a local level without compromising global objectives.”

 C1 / L8

#### **5.2.2.5 Core competence 5: Situational and relational leadership**

As elaborated in Chapter 2, geocentric situational and relational leadership skills describe leadership as an interactive process between leaders, followers and the situational context, meaning what is good for one region may not be good for another (Bass 1997). Skills that leaders associated with this competency included international leadership skills, adaptable leadership skills, team management skills across cultures, and change management skills, among many others listed in Figure 22.





Fig. 22 Geocentric Situational and Relational Leadership Skills (weighted by level of agreement)

One leader summarised the practical effects of such situational and relational competencies as follows:

“Situational leadership. Adapting your style to the context and person you are dealing with, match behaviour according to personalities and cultural difference.”


 C2 / L4

The importance of situational leadership (Bass 1997, Northouse 2001) and contingency theories of leadership (Fiedler 1967, 1997), particularly in a multinational environment fraught with behavioural complexity (Ernst 2000), have been detailed in Chapters 2 and 3. The leaders in this survey accordingly argued that multinational leaders will need to differentiate between task and relationship orientation, a scenario defined by Fiedler (1997), Tannenbaum and Schmidt (1973) and Bass (1990); or between humane and performance orientation as described by the GLOBE study (2004) – the latter also stressed situational and cultural contingency when endorsing universal behaviours.

Den Hartog (2004) argues that different cultural groups vary in their conception of good and bad leadership, and that leadership strategies will never find universal acceptance. A number

of recent empirical studies have tried to account for such divergent global leadership contexts, and in response have attempted to define geocentric situational and relational leadership traits, including: inquisitive character, the ability to deal with behavioural complexity, cultural literacy, open-minded and flexible, culture interest and sensitivity, and appreciating diversity (Black, Morrison and Gregersen 1999, McCall and Hollenbeck 2002, Goldsmith et al. 2003). The leaders surveyed affirmed the need to build these situational and relational leadership traits into their respective models.

“Yes, it makes sense to have a universal model as long as you are able to fill in different aspects towards individual cultures, it must be interpreted and tailored to different cultures.”

 C1 / L5

“The model is important for common understanding, but it is important to allow different interpretations of different cultures to allow for a cultural spectrum of possibilities.

 C1 / L3

“Have input from the global partners, HR and business; you need the representation of different cultures.”

 C2 / L1

“I think we need sort of an ‘umbrella’, that is global in nature ... You always have to measure a behaviour against a cultural context; standards are different in different cultures.”

 C3 / L11

Leaders viewed geocentric situational and relational leadership skills and behaviours as the foundation for effective leadership in a multinational environment. When core competency 2 and 5 are merged (cross-cultural and situational leadership), all leaders are represented. Figure 23 shows that, when the highest agreement levels in these core competences are matched, geocentric situational and relational leadership competencies such as intercultural competence, international leadership skills, flexibility to operate in different cultures, team management skills, and empathic and adaptable leadership skills tended to dominate the leaders’ responses.

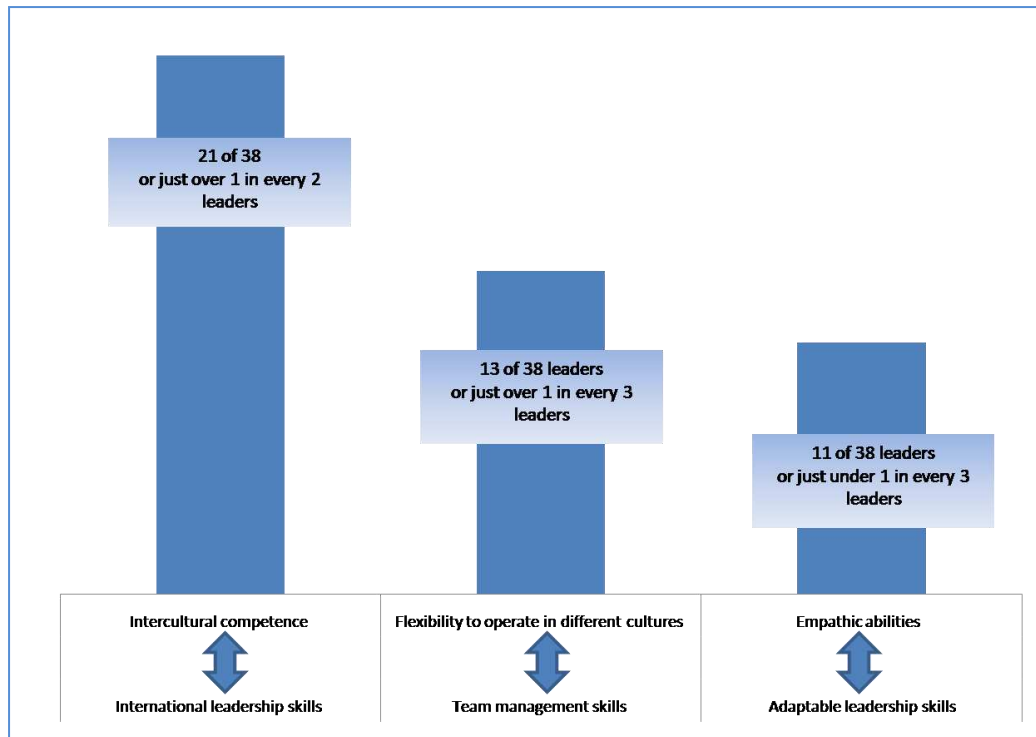


Fig. 23 Agreement between Leaders when Core Competencies 2 and 5 are matched

These agreement figures - higher than all other clusters – also underlined leader frustration with LCMs that they believed did not, as presently formulated, facilitate robust geocentric leadership.

In addition to these situational leadership competences - adaptation, self-regulation, flexibility in approach, willingness to change, neutrality, and lack of bias – leaders also identified the need to balance global and national complexities, and accommodate diverse stakeholders in a multicultural environment.

“You need to appreciate the complexity that comes with global interaction; including the ability to handle your own ego and appreciate and understand diversity.”

 C3 / L11

“Leaders need an ability to adapt to leadership styles of different cultures, to value differences to be open-minded and unbiased.”


 C1 / L5

“Understanding the needs of all stakeholders, global and local mindsets; making sure that you satisfy all parties involved.”

 C3 / L5

### 5.2.3 Summary of essential competencies

There was broad diversity in articulation of essential competencies cited by leaders, meaning leaders did not match behaviours to competencies in any uniform way, and agreement was relatively low. However, there was agreement on the importance of personal and interpersonal skills in multinational leadership, and frustration that these were relatively absent in the current LCMs. Geocentric situational and relational leadership skills were also viewed as essential global leadership competencies but again were not adequately enshrined in the relevant LCM since, it was argued, cultural literacy was often assumed. In the words of a C3 respondent: “You are assuming that there is an openness from the leader to appreciate the diversity of thoughts and perspectives ... that the leader has already the maturity ... or no prejudice in terms of age or sex or nationality or ethnic background.”

 C3 / L3

Leaders did not appear to draw their cited competencies from their own LCMs, but from their own lived experience and implicit societal-driven beliefs. Compared with the contrived performance-driven competencies in the LCMs, these beliefs are much more culturally contingent and complex.

... to be able to understand very complex behaviours ... I think when you change your location to be able to quickly adapt new behaviours to invite people to talk to you ... it gets very difficult if you are not able to do so ... you can isolate yourself quite quickly and then not lead effectively.

 C1 / L14

### 5.2.4 Associated behaviours

Having established the core competencies identified by leaders as essential for leading in a multinational environment, leaders were then asked to associate key behaviours with the cited competencies in their own models. As detailed in Table 17, diverse and culturally specific behaviours were associated with the said competencies, while there were low levels of agreement among leaders.

Cited Behaviours	Levels of Agreement	Cited Behaviours	Levels of Agreement	Cited Behaviours	Levels of Agreement
Multicultural Communication Skills	21	Openness/Open-minded	4	Having Faith	1
Communication Skills	17	Courageous/Taking risks	3	Adapting a Clear Position	1
Cultural Sensitivity	17	Being Passionate	3	Social Conversation	1
One Organisation-One Message	16	Non Aggressive	2	Tolerating & Addressing Mistakes	1
Taking in Cultural Context	12	Being Inspirational	2	Creating a Culture where People are Comfortable	1
Translating Strategy	11	Coaching & Guidance	2	Listening to People	1
Understanding Different Styles and Culture	11	Getting to Know People	2	Speaking English	1
Being Articulate and Concise	10	Empowerment	2	Patience	1
Empathic	9	Addressing Concerns	2	Align Aims	1
Being Sensitive	9	Personal Contact	1	Ability for Precision	1
International Management Skills	9	Adapting a Clear Position	1	Clear Delegation	1
Understanding the Environment	8	Reading between the Lines	1	Being Focused	1
Inclusivity	8	Showing Enthusiasm	1	Being Ambitious	1
Motivating Remote People	8	Using Compliments	1	Getting the Best from Employees	1
Relating to People	8	Solution Oriented/ Facing & Solving Problems	1	Frank Opinions	1
Relationship Building	7	Tolerating Different Opinions	1	Setting Priorities	1
Building Shared Vision	7	Being Believed In	1	Being Structured	1
Unbiased / Culturally Neutral Attitude	7	Being a Role-Model	1	Being Yourself	1
Applying Learned Skills and Training	7	Set Local Strategies	1	Knowing Boundaries	1
Multinational Reality	6	Being Convincing	1	Plan to Win	1
Honesty	6	Creative/ Thinking Outside the Box	1		
Personal Relationship	5	Being Visible	1		
Membership Awareness	5	Uncompromising Regarding own Goals	1		
Regular Communication	5	Performance Oriented	1		
Intercultural Travel	5	High Energy Level	1		
Observation	5	Leading by Example	1		
Being Respectful	5	Commitment to Finishing Things	1		

Table 17 Behaviours Considered Essential for Leading in a Multinational Environment

Table 17 shows that leaders loosely interchanged competencies, behaviours and attributes. While leaders were asked to cite behaviours associated with the competencies in their models - which were re-read to them - they repeated core competencies such as multicultural communication skills, and attributes such as honesty. This suggests a failure of the competency approach to leadership in general, and competency architectures in particular.

Hollenbeck and McCall's (2006) opposition to universal LCMs is thus, to some extent, vindicated by leaders in this study that were quick to outline competencies at the meta or abstract level such as communication and cross-cultural competence. This failure to outline precise behaviours may also be explained by an implicit belief that culturally contingent leadership behaviours should not be phrased in specific emic terms (Pike 1997, Smith and Bond 1983, House et al. 2004).

Leaders cited 74 behaviours associated with competencies in their respective models. 36, or just under half of all behaviours cited, were unique. While the definitions/wording used by leaders varied, when clustered under the five core competencies identified, and matched to those core competency areas in the 3 LCMs, higher levels of agreement emerged. This is set out in Table 18:

<b>1. Communication Skills (38 Leaders) Associated Behaviours</b>	<b>Levels of Agreement</b>	<b>3. Motivational &amp; People Skills (38 Leaders) Continued</b>	<b>Levels of Agreement</b>
Multicultural Communication Skills	21	Showing Enthusiasm	1
Communication Skills	17	Tolerating & Addressing Mistakes	1
One Organisation-One Message	16	Tolerating Different Opinions	1
Being Articulate and Concise	10	Using Compliments	1
Regular Communication	5	<b>4. Visionary &amp; Strategic Skills (22 Leaders) Associated Behaviours</b>	<b>Levels of Agreement</b>
Non Aggressive	2	Translating Strategy	11
Ability to be Precise	1	Building Shared Vision	7
Adapting a Clear Position	1	Setting Local Strategies	1
Listening to People	1	Aligning Aims	1
Frank Opinions	1	Being Focused	1
Social Conversation	1	Setting Priorities	1
Speaking English	1	<b>5. Geocentric Situational &amp; Relational Leadership Skills (38 Leaders) Associated Behaviours</b>	<b>Levels of Agreement</b>
<b>2. Cross-Cultural Competence Skills (38 Leaders) Associated Behaviours</b>	<b>Levels of Agreement</b>	International Management Skills	9
Cultural Sensitivity	17	Applying Learned Skills and Training	7
Taking in Cultural Context	12	Honesty	6
Understanding Different Styles and Culture	11	Courageous/Taking Risks	3
Empathic	9	Being Yourself	1
Understanding the Environment	8	Being Believed in	1
Inclusivity	8	Being a Role-Model	1
Unbiased/Culturally Neutral Attitude	7	Being Convincing	1
Multinational Reality	6	Being Ambitious	1
Intercultural Travel	5	Being Structured	1
Membership Awareness	5	High Energy Level	1
Observation	5	Knowing One's Boundaries	1
Openness/Open-Minded	4	Leading by Example	1
Reading between the Lines	1	Being Visible	1
<b>3. Motivational &amp; People Skills (38 Leaders)</b>	<b>Levels of Agreement</b>	Commitment to Finishing Things	1
Being Sensitive	10	Uncompromising Regarding Own Goals	1
Motivating Remote People	8	Plan to Win	1
Relating to People	8	Performance Oriented	1
Relationship Building	7	Adapting a Clear Position	1
Being Respectful	5	Solution Oriented/ Facing & Solving Problem	1
Personal Relationship	5	Creative/ Thinking Outside the Box	1
Being Passionate	3		
Being Inspirational	2		
Coaching & Guidance	2		
Empowerment	2		
Exploring People's Concerns	2		
Getting to Know People	2		
Creating a Culture where People are Comfortable	1		
Clear Delegation	1		
Displaying Patience	1		
Getting the Best from Employees	1		
Having Faith	1		
Personal Contact	1		

Table 18 Clustering of Cited Behaviours in Line with Core Competencies from 3 LCMs

Leaders frequently associated several behaviours with a given competency. Thus, overall behaviour citations as reflected in coded references were higher than with competencies alone. All leaders were represented in four of the five core competence areas identified in their respective interviews and matched to their LCMs. Table 18 shows that when grouped into the core competencies 1 to 5 as stated, and then ranked by levels of agreement, leaders were most concerned about the behaviours associated with the following five core competencies, ranked in order of importance:

1. Core competency 2 – cross-cultural competencies
2. Core competency 3 – motivational and people skills
3. Core competency 1 – communication skills
4. Core competency 5 – geocentric situational and relational leadership skills
5. Core competency 4 – visionary and strategic skills

The findings show that, as with competencies, leaders largely eschewed the performance orientated behaviours contained in their respective LCMs in favour of personal and interpersonal behaviours associated with situational leadership, motivating people and communicating cross-culturally. The more technocratic and task-oriented the model – i.e. LCM2 – the greater the leader focus on relationship orientation and ‘soft’ leadership competencies. As elaborated in the following chapter, this dissonance was further borne out in a perceived failure to implement LCMs.

For the sake of further comparison, it will be instructive to compare the universal and cultural attributes contributing to outstanding leadership cited by the GLOBE researchers, by global leadership researchers, and identified by participants in this study. It should be reiterated that while leaders in this study cited attributes and competences essential for multicultural leadership, the GLOBE project tested the attributes in mono-cultural environments (the complete GLOBE universal and culturally endorsed lists are comprised in Appendix V).



GLOBE Attribute	GLOBE Corresponding Primary Leadership Dimensions	Findings
Honest	Integrity	Honest
	Integrity	Being believed in Being yourself
Communicative	Integrity	Multicultural communication skills Communication Skills Regular Communication Social Communication Listening to people Speaking English Ability to be precise Frank opinions Communication skills Language skills
Plans Ahead Foresight	Visionary	Translating strategy Building shared vision Set local strategies
Motivational Encouraging	Inspirational	Coaching and guidance Being convincing Getting the best from employees
Administratively Skilled	Administratively Competent	Being structured
Positive Dynamic	Inspirational	Being passionate Being inspirational Showing enthusiasm
Excellence Oriented	Performance Oriented	Performance oriented Uncompromising regarding own goals Being focused Setting priorities High energy level

Table 19 Comparison between GLOBE Universal Positive Attributes and Behaviour Findings

(Adapted from GLOBE 2004 Items taken from table 21.4 p677)

27 of the behaviours cited by leaders directly correlate with 11 of the 22 universal positive attributes included in the GLOBE study, meaning that leaders in this study were cognisant – implicitly or explicitly - of the relationship between culture and organisational leadership effectiveness underpinning the GLOBE research.

By contrast, four of the behaviours/attributes cited by leaders directly correlate with two of the 35 culturally contingent attributes included in the GLOBE (2004) project study. Like the comparison between the leader values identified by the GLOBE project, and the leadership citations on core competencies in this study, this lack of overlap indicates that the leaders in this study were focused on behaviours that would most likely transfer in multinational environments, whereas participants in the GLOBE project were concerned with attributes for leading in a national context.

#### 5.2.4.1 Familiarity with LCMs

As stated, leaders agreed to varying degrees on 30 competencies, with a further 48 uniquely cited. However, the frequency with which leaders uniquely cited a given competency suggests

a lack of familiarity with the core competences cited in the LCMs. Why are these core competencies so ill defined when the leaders' attention was drawn to their corporations LCMs in advance of the interviews? While a LCM aims to establish qualifications and improve leadership effectiveness in relation to future business challenges, a prerequisite for LCM success is that leaders take it seriously (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006). Whether due to the complexity of the models, their relative newness, or a perceived irrelevance, leaders from the three MNCs in this study have not cultured a strong identification with their own LCM. As will be outlined in the following chapter, this lack of familiarity also relates to a widely acknowledged failure to effectively implement the models.

The paucity of reference to established LCMs typifies the dissonance between competencies and beliefs referred to by Morrison (2000), Emiliani (2003) and Hollenbeck, McCall and Silzer (2006). Emiliani, for example, argued that 'ideal' competences are built into LCMs without considering the real issues that consume multinational team leaders' mental energy. While the findings indicate overlaps between the LCM core competencies, which are highly performance orientated, and those cited independently by the relevant leaders, the latter focus much more on empathic communication, cross-cultural competence, empathy and trust. "Knowledge of human nature; be a human being, focus on basic characteristics and needs across cultures "

 C2 / L2

Another C2 leader echoed this sentiment. "What's vital is having a personal relationship based on trust, face-to-face and building an atmosphere with fewer barriers"

 C2 / L6

#### **5.2.4.2 HR familiarity with LCMs**

While both business and HR leaders (11 of the 38 leaders or 29% of participants) shared a common belief that interpersonal competencies were central to effective cross-cultural leadership, HR leaders were, in percentage terms, significantly more familiar with their respective models than the other managers, and thus were less inclined to interchange competencies, behaviours and attributes. The greater affinity with, and often more positive view of, the models among HR leaders is expected since the latter co-ordinate the creation, implementation and administration of LCMs. HR leaders are less likely to express intercultural sensitivity, and thus a lack of identification with ethnocentric models, since most work in head office and not across different regions (Intagliata, Ulrich and Smallwood 2000).

### 5.2.4.3 Cultural vs. corporate orientation

The lack of leader familiarity with their respective LCMs was further proof of the impact of culture on leadership since, it can be argued, leader values, beliefs and lived experiences impacted more than corporate factors on avowed concepts of leadership. The tendency for leadership prototypes to reflect implicit societal beliefs has been validated in empirical studies (Triandis 1995, Hofstede 2001, GLOBE 2004). The findings show that avowed leader competencies, and behaviours, were demarcated along cultural as opposed to corporate lines – i.e. a German leader working for any of the three companies was more likely to hold similar views to a fellow German than a corporate colleague from another cultural group. Thus levels of agreement were significantly higher when data was grouped in this way. The findings support the idea of cultural contingency in leadership as outlined in emic-etic theory (Den Hartog et al. 1999, House et al. 2004), the GLOBE implicit leadership theory (House et al. 2004), and Hofstede’s value-belief theory (2001).

To gauge the level to which leader opinions were grouped along corporate or cultural lines, the competencies eliciting the most agreements among leaders were cross tabulated with demographic data. For example, 34 of the 38 leaders in the study cited core competency 2, cross-cultural skills/attributes, as being crucial to leading in a multinational environment, regardless of cultural or corporate identity. Figure 24 shows that all three corporations were represented when citing attributes relevant to core competency 2, while Figure 25 demonstrates the same data cross-tabulated with the demographic ‘nationality’ to consider the levels of agreement by country rather than corporation.

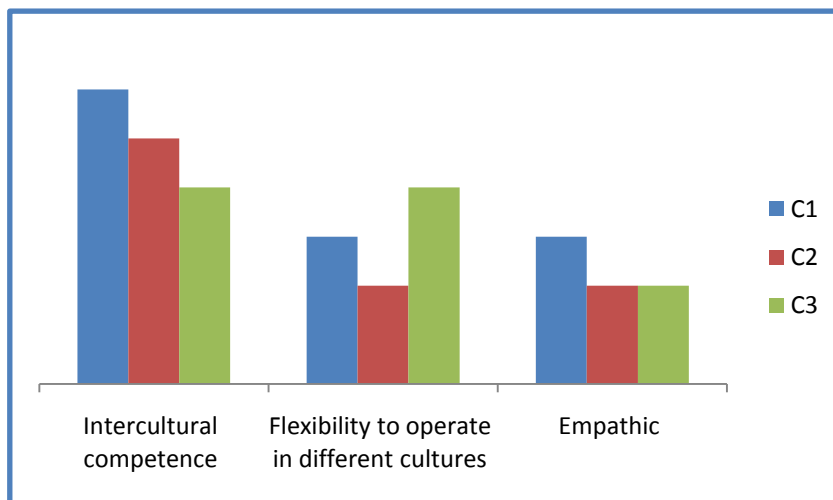


Fig. 24 Cross-Corporate Presences in Cross-Cultural Core Competency

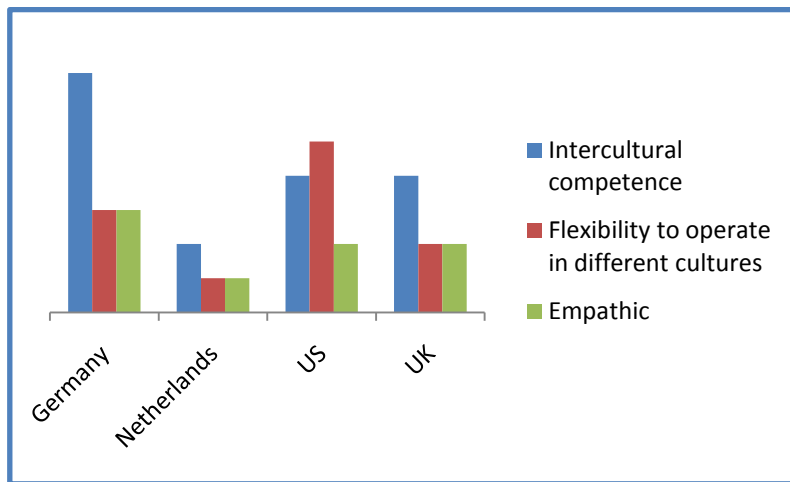


Fig. 25 Cross-National Presences in Cross-Cultural Core Competency

Figure 25 shows that when leaders were divided by nationality they gave a more equal weighting to the three attributes associated with competency 2, thus indicating a tendency, however cursory, to agree along cultural rather than corporate lines. Put simply, these leaders were more likely to concur with someone from their own country working in a different company than a company colleague from a different country. In this way, the GLOBE project argued “societal culture influences the kind of leadership found to be acceptable and effective in that society” (GLOBE 2004 p673).

Similarly with core competency 3, motivational and people skills, all corporations were represented in this cluster.

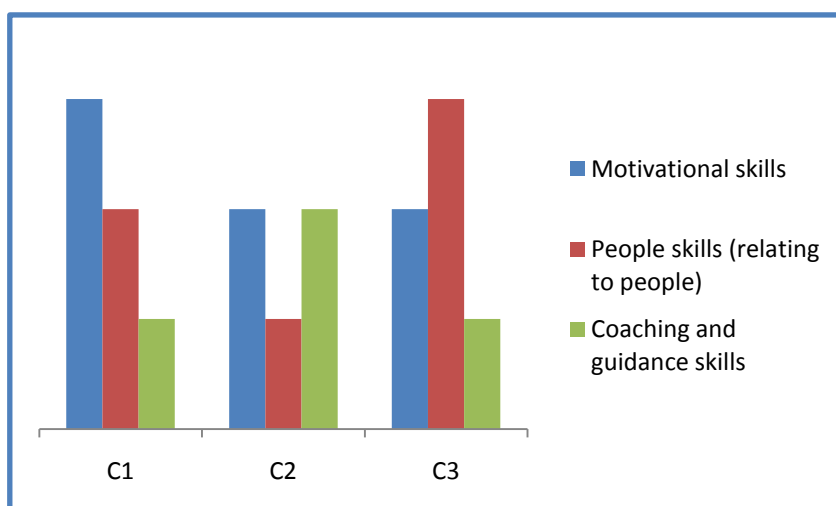


Fig. 26 Cross-Corporate Presences in Motivational and People Skills Core Competency

Figure 27 re-examines the same data in terms of nationality.

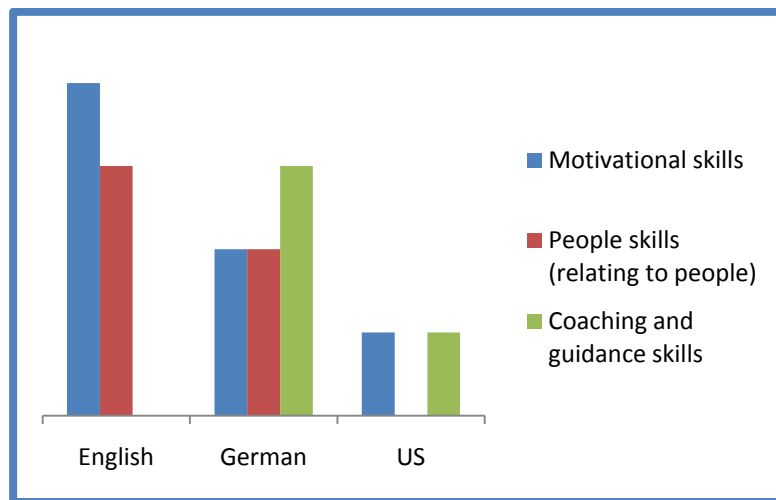



Fig. 27 Cross-National Presences in Motivational and People Skills Core Competency

Leaders from all three corporations agreed that motivational and people skills are essential for leading in a multicultural environment - Figure 27 shows, however, that the Germanic group cited coaching and guidance as the most important behaviour; while the US group found both motivational skills and coaching and guidance to be fundamental to effective multinational leadership. The clustering of agreement along national rather than corporate lines is particularly evident when noting that there is a significant cultural disjuncture between C3, a US organisation, and the competency preferences of US nationals. One C1 leader was aware of the need to consider “what motivational instruments work best in different cultures.”

In terms of actual tools, motivation works across the world, independent of cultures, some cultures might look for financial rewards as a way of motivation, others just want public praise, others just want recognition, you know, even if it’s praise and recognition. Those are the tools, from a HR point of view, I would just try to ... understand what motivational instruments work best in different cultures, that motivation still is there as an over-line, overarching sort of heading

 C1 / L1

#### 5.2.4.4 Effectiveness of LCMs


“It is important to involve HR and the business in realisation of these competences.”

 C3 / L10

The effectiveness of LCMs designed to streamline corporate strategies and objectives in a multinational environment would appear to be limited by the lack of leader familiarity with


the models - blamed in part on prescriptive, HR-driven model design with little cross-cultural flexibility – and the general fact of cultural contingency, borne out in the tendency for stated competencies to be demarcated along cultural rather corporate lines. Subjectivity was seen as a major impediment to the effectiveness of a universal model.

...I think in any measurement of competencies, or leadership skills of course it's always had some subjective sort of elements in there, but the more subjective it gets how valuable can it be then for an overall system to use, if it can mean something slightly different or totally different things in different parts of the world depending on how they interpret it?"

 C3 / L3


Competency models used in MNCs today often fail to reflect business realities, being mostly developed by HR and focus groups that lack business insights and do not take cultural contingencies into account. LCMs therefore contain explicit and prescriptive behavioural indicators that are context-specific, and not universally applicable (Smith and Bond 1993); or are too abstract, generic and removed from daily realities to afford proper guidance for global leadership (Javidan et al. 2006). Additionally, LCMs are not backed by proper explication and training (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006). The following chapter shows how these deficiencies also limit the effective implementation of the models.

“We need to be careful; there are issues and it makes me feel that people are not that aware and not that interested.”

 C3 / L9

Lack of leader familiarity with the models is arguably the biggest indictment on LCM effectiveness. While the interchanging of competencies and behaviours was a consistent feature of the data, the senior leaders surveyed - many highly experienced in a multicultural environment – can most likely differentiate between competencies, behaviours and personal attributes. However, the marked dissonance in their views indicates a lack of routine in the area of competence analysis and, in cases, a lack of genuine interest in corporate competence architecture.

“C1 has many experts in their fields with an external mindset which often leads to the ‘we know best’ feeling ... people are quite intellectual and there's a lot of ‘not invented here’ thinking about.”

 C1 / L9

While analysis of leader opinions regarding essential multinational leadership competencies and behaviours, as juxtaposed against existing LCM competencies, helps us glean some insight into LCM effectiveness, this question will be better addressed in analysis of the findings regarding ease of model implementation, and the efficacy of a universal model, presented in the following two chapters.

### **5.3 Competencies associated with LCMs**

Having examined leaders' views on essential competencies/behaviours for leading in a multinational environment, it will be instructive to examine leader interpretations of competencies/behaviours contained in their respective LCMs – this will be followed by a discussion of the perceived omissions and shortcomings of these prescribed competencies. The findings regarding the main competencies leaders associated with their relevant LCM behaviours will be reported under two headings: 1. Associated competencies 2. Matching competencies to leadership needs

#### **5.3.1 Associated competencies**

After contemplating the behaviours listed in their corporations' LCM, leaders were asked to describe the main competencies listed in the model. This was done to help determine the level of common understanding of behaviours and related competencies required to enact universal LCMs via multinational leaders. The hypothesis is that LCMs will be understood differently, and the comprised behaviours enacted differently, across cultures.

Appendix V illustrates how leaders associated myriad competencies with behaviours listed in their relevant LCM - 646 competencies were listed next to 57 behaviours listed in the three models. Appendix W also shows the common components of all three modules grouped into the five core competencies (as set out in Table 20), and offers detailed analysis by company against all cited behaviours, showing the number of leader citations against each competency from each respective model. Table 20 summarises Appendix W by company, showing the total number of citations against each of the five core competencies already identified.

Core Competency	Total Citations1	Total Citations2	Total Citations3
	C1	C2	C3
1 – Communication	139	262	62
2 – Cross-Cultural Competence	98	189	67
3 - People & Motivational Skills	70	213	59
4 - Visionary & Strategic Skills	44	67	213
5 – Situational & Relational Leadership Skills	66	116	38
<b>Total</b>	<b>417</b>	<b>847</b>	<b>439</b>

Table 20 Summary of Citations Showing the Lack of Familiarity with Leaders' Current LCMs

It should be noted that one company is responsible for a large proportion of the 646 competencies cited, while different companies may have named the same competencies under different core competencies. For example, one C1 leader cited compassion (better described as an attribute) under core competence 1, communication, while a C2 leader cited it under core competence 3, people and motivational skills. Thus, the same competency may appear several times in these tables where leaders cite it more than once, or where leaders cited it under different core competencies. Appendix W and Table 20 indicate that when leaders were asked which competencies were associated with the listed behaviours, the diversity of responses was attributed again to a lack of familiarity with their own LCMs.

The heterogeneous nature of the competencies cited thus validates the central hypothesis of this study: that culture precludes a common understanding of the behaviours comprised in the LCMs. The three LCMs under investigation define specific leadership behaviours deemed relevant to performance orientation. However, as discussed in Chapter 3, statements about universal or etic aspects of social behaviour need to be phrased in highly abstract ways.

In this way, one respondent criticised the attribute 'Discipline: We know the rules and stick to them' in LCM 1, stating: "This is good for the Germans; it is black and white, other cultures deal differently with rules, they are not so strict." The same leader responded to a general lack of cross-cultural applicability in the attribute, again in LCM1, 'We reward success and address failures': "This won't work so well in Asia." This response was echoed for 'clear priorities' - "Some cultures need them others less so" – while the attribute 'Environment: We achieve the right balance, neither cosy nor hostile' inspired a caveat: "This can be seen very differently across cultures."

 C1 / L3



As discussed, leaders failed to agree when their cited competencies were matched to the behaviours in the individual corporate models (see list Appendix W). When cited competencies were grouped into the common elements of the three respective models (the five core competence areas), leaders again agreed along cultural rather than corporate lines as outlined in the previous section.

### 5.3.2 Ethnocentric leadership approach

Leaders in C2 and C3 commonly expressed the context specific (emic) nature of the behaviours in their LCMs, citing German and US centricity as an impediment to the applicability of the LCMs across cultures. Figure 28 shows data coded to the theme “dissonance”, and cross-tabulated to the demographic nationality. It demonstrates that leaders who were most animated about the context specificity of their LCMs were leaders from the US (C3) and German corporations (C2), with the former showing highest levels of concern.

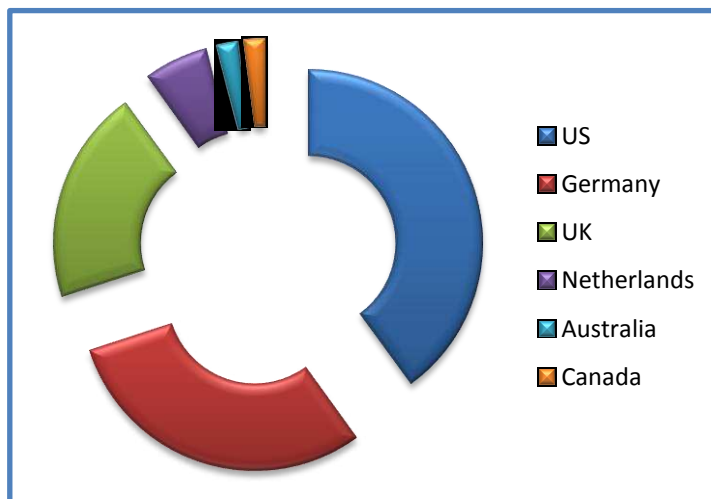



Fig. 28 Dissonance by Nationality

As discussed in the analysis of LCM3 in Chapter 4, the high level of individual accountability, reflecting the high individualism and risk tolerance ranking of the US (Hofstede 2001, GLOBE 2004), and the focus on performance oriented US emic behaviours, were again seen to negatively impact on the transferability of the LCM across cultures. The following commonly identified leader responses focused on the ethnocentric approach of a C3 model with an overt US cultural bias.


“The model is very US oriented. A leader takes risks, has self-control, steps up and comes up with the solution. Locals ... want their own control over behaviours ... the local relevance is very important. The former British colonies are challenging almost everything, Germany will challenge to get clarity, then they will do it, Asia will just do it.”

 C3 / L12

“With regard to the people competencies, the US approach is difficult to implement.”

 C3 / L5

“The highest possible standards of fairness, honesty and integrity. This is strange in German context.”

 C3 / L5

“This comes from the USA – that’s where it started, you can tell from reading the model. We sometimes tend to have conflicts with the US.”

 C3 / L9

Figure 28 also indicates that a high number of leaders in C2 believed that the German centricity of LCM2 would impede the enactment of behaviours across cultures. As also discussed in the analysis of LCM2 in Chapter 4, the high detail orientation (reflecting high uncertainty avoidance) and the technocratic nature of the behaviours, reflective of low humane orientation (GLOBE 2004), relational leadership (Burns 1978) and a transactional leadership style (Bass 1990), were seen to negatively impact on the transferability of this LCM across cultures.

“This is designed in head office for dealing with head office and not to deal with an international organisation. You can tell by reading the first chapter that it is German! It’s not international, it’s German.”

 C2 / L7

“Being a global player is not a one-way street where German culture is exported to the world. This is typical German where everything needs to be put down 100%. The London colleagues tell us it must be punchy – this model is not.”


 C2 / L2

“Ambition, curiosity and acting with resolve” – what do they want? I don’t understand. Reading with a C2 lens they don’t want creativity or extraordinary things. It is very technocratic.”

 C2 / L3

The reasons for ethnocentrism are manifold. Brewster, for example, locates this leadership trend in the results-oriented pressures of globalisation and US economic hegemony, giving multinational leaders justification for following the US management models (Brewster 2005). C3 leaders especially struggled to reconcile narrow US-centric LCM3 competencies in a multinational environment, and called for a more polycentric leadership approach.

... Some cultures may feel that this is driven by the Americans trying to either over simplify it or over control it ... The feeling that I'm getting from my travels around the world is that people are very well aware that are reporting into a US based company but the local relevance ... is very important and they want their own control over the kind of behaviours and how they run their markets.

 C3 / L8

### 5.3.3 Matching competencies to leadership needs

After leaders were asked to link stated behaviours with competencies in their LCM, they were then asked to match, on a scale of 1-4, the behaviours and competencies listed in the LCM with behaviours and competencies they consider necessary for fulfilling their current leadership role. The scale values were represented as:

Matching Needs to Model	
1	Exactly
2	More or Less
3	Marginally
4	Not at all

Table 21 Scale Values

Leaders almost unanimously agreed that their respective models did contain competencies and behaviours considered necessary to fulfil their current leadership role, albeit to varying degrees as set out in Figure 29:

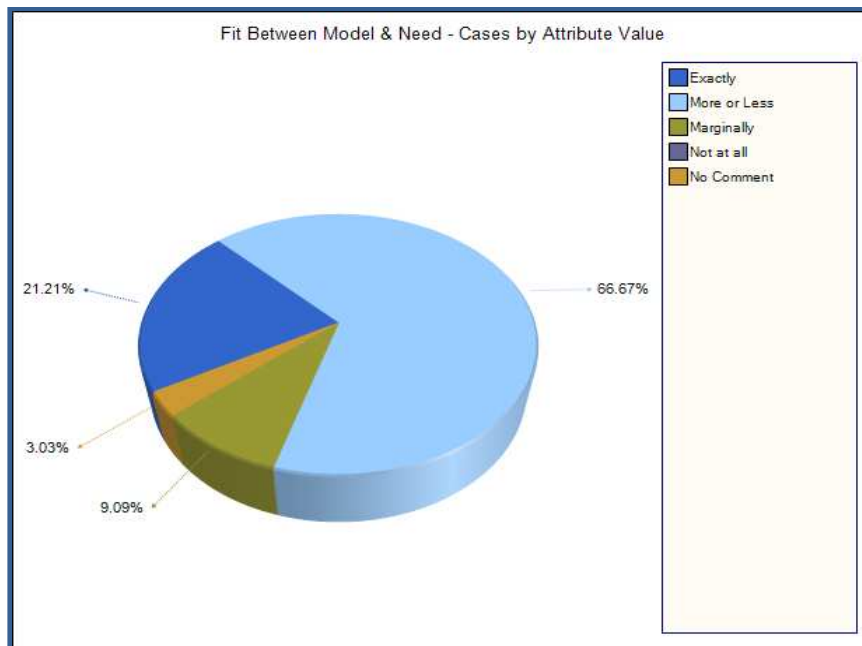


Fig. 29 Fit between LCMs and Leaders' Needs

One in five leaders said the model “exactly” matched their needs; two out three said it matched “more or less”, qualifying their answer with a discussion about the lack of personal and interpersonal skills, including communication and cultural sensitivity, and the focus on performance orientation.

“The performance emphasis is high but the skills I need are more on the personal side.”


 C3 / L5

“How you apply these behaviours and competencies varies significantly. What’s missing is the focus around values and communication.”


 C1 / L8

29 of the 38 leaders who participated in the study agreed that the greatest challenge was not the match between competencies but rather their realisation in practice – indeed, implementation and a perceived gap between theory and practice is a complex issue that will be fully analysed in the following chapter. According to Hollenbeck, McCall and Silzer, LCMs are “best practice which defy logic, experience and data” (2006 p399). Indeed, these 29 leaders raised the issue of the practicality of execution more than once during their interview (the issue was raised 51 times in total), with most stressing the gap between theory and practice.


“There is nothing missing, they are all there. But the gap between theory and practice is quite large concerning implementation.”

 C1 / L1

“The gap between theory and practice is quite wide, it's a bit like reading about how to ride a bicycle and then riding the bicycle ... it's only when you actually get to lead that you see that the gap between the written and the practical is quite high.”

 C1 / L1

“What is missing here is the awareness of the leader of his role model function. If the leader is acting differently it is difficult for others to align.”

 C3 / L6


A primary reason for questioning the practicality of execution was the lack of functional relevance, and, as noted in previous chapters, the dearth of functional competencies. As one C3 leader stated: “When you talk about competencies for special roles, like in accounting and administration, you need to more specific – you need abstract thinking to understand competencies across functions.”

 C3 / L7

For Mansfield, such specific competencies are instrumental to leadership success. “Specific behaviours tell job holders what they must do to achieve superior results, and because job-holders and their managers have contributed to the model in important ways, they are likely to feel ownership of the results” (Mansfield 1996 p9). Mansfield discussed the application, strengths and limitations of the two distinct competency models types - single job competency, and “one-size-fits-all” models - and concludes that a multiple approach to building competency models is the most effective for MNCs since it allows for the customisation of particular skill sets for particular jobs.

However, if competencies are not phrased in abstract ways, how can group synergies be achieved around common leadership behaviours? As discussed by Osland et al. (2006), global business is fraught with complexity and leaders need ‘boundary scanning abilities’ akin to the geocentric situational and relational leadership. Whether a universal model can cope with such complexity remains an open question. But as will be discussed in the conclusion, leader calls for explication may not be realistic in the face of the multifarious needs and complexity of interactions in a multinational environment.

“30 percent match sadly not more! It is very technocratic, too little appreciation of the people. It is not possible to identify with. We need to give people more room.”

 C3 / L3

One leader did not comment, while no leader believed their model so poor that it did not match at all.

### **5.3.3.1 HR’s matching of competencies to needs**

There was also keen awareness among HR leaders more familiar with the models that LCM success depended on the effective transfer of the behaviours/competences across regions. Though HR comprised one quarter of leaders surveyed, almost half of all data (45%) coded to the theme “translating the model” derived from this community. HR leaders from C1 were especially aware of the difficulty in matching competencies to needs.

“The difficulty is the different interpretations in different countries. When you have a strong company culture, some national culture facts may not be reasonable anymore. Some matures (mature leaders) come to the organisation and have a strong bias towards national culture and it makes it harder to get the C1 culture through to them.”


 C1 / L10

“It is a good guideline, but always living it is hard. At a high level the behaviours are understood at first sight. In daily working life it is hard.”

 C1 / L13

Another key observation among HR managers concerned the congruence between prescribed LCM values and personal leader beliefs - a finding that confirms the Hofstede value-belief theory (2001), and Emiliani’s (2003) argumentation theory regarding the transferability of universal transformational leadership models. Thus, when there was a higher level of congruence, behaviours were perceived to be more relevant.

“They are aligned with my personal core values and they are easy to implement if you are an autonomous leader ... Implementation depends on personality, experience and know-how of the leaders.”

 C1 / L9

### **5.3.4 Summary of findings: Competencies associated with LCMs**

When leaders were asked to describe the main competencies listed in their relevant LCM - to help determine the level of common understanding of behaviours and related competencies required to enact universal LCMs - the analysis reveals very high levels of incongruence and low levels of agreement. This lack of uniformity again highlights the strong impact of culture on leadership, and thus a failure to effectively implement the models for reasons, among others, of ethnocentrism and assumptions of cultural literacy. The heterogeneous nature of the competencies cited thus validates the central hypothesis of this study: that culture impedes a common understanding of universal leadership competencies and behaviours.

When asked to match competencies to leadership needs, only one in five leaders was satisfied that LCM behaviours were fundamental to their current leadership role. Most leaders were frustrated that personal leadership competencies, including cultural sensitivity and individual communication, were subordinate to business/performance competencies. There was high-level agreement that the theory driving the competencies/behaviours in the LCMs was not matched in practice. This was problematic.

The HR community identified more with the LCMs but were aware of their perceived lack of relevance to the business and the difficulty in transferring the LCMs across cultures.

Many leaders were openly critical of the model.

### **5.4 Additional competencies, behaviours or attributes required**

This section will be reported under two broad headings:

1. Additional competencies, behaviours or attributes not included or understated in the LCMs
2. Deficiencies – areas for improvement

#### **5.4.1 Additional or understated competencies, behaviours or attributes in the LCMs**

Leaders were asked to consider competencies, behaviours and attributes they considered essential to leading in a multinational environment that were not currently included in their LCMs, or that are included but needed expansion or clarity. Cited competencies believed missing or understated in the respective models included:

- Competencies lacking/interpersonal skills and attributes
- Competencies lacking/business skills
- Competencies understated/interpersonal skills and attributes
- Competencies understated/business skills

- Behaviours lacking or understated/universal
- Deficiencies/Areas for Improvement

Competencies lacking: Interpersonal skills and attributes

Like the strong focus on interpersonal skills in section 1, leaders cited similar interpersonal core competencies when asked which attributes and competencies are lacking in their respective models. Figure 30 ranks these interpersonal skills and attributes in order of importance as determined by levels of agreement.

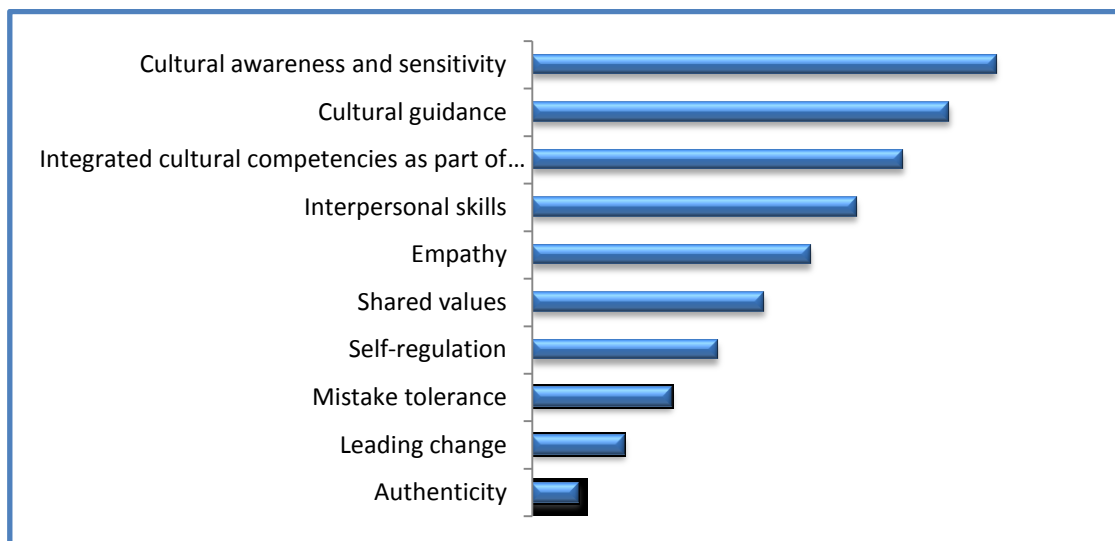



Fig. 30 Interpersonal Skills and Attributes Considered to be Lacking in LCMs

These lacking attributes and competencies have been prioritised by leaders throughout this study in the guise of a greater need for situational and relational leadership, and personal/interpersonal interactions (Stähl and Björkmann 2006). To reiterate, the goal is to better facilitate cross-cultural synergies in a multi-regional context by focusing less on results, and more on cultural awareness, sensitivity and intercultural communication.

“It has a lot to do with how far individuals are able to flex their communication style.”

 C1 / L5


“The importance of diversity is not very clear. The message on diversity is more implicit rather than explicit.”

 C3 / L9



#### Competencies lacking: Business skills

“... in your daily business you need more help than just the headline. This is something like how you live it in different countries.”

 C3 / L9

Leaders cited a failure to provide guidance concerning the daily challenges of global business in the models. A major shortcoming of the LCMs was a perceived lack of practical relevance or guidance from a business perspective, and leaders thus frequently referred to the gap between theory and practice. As noted above, the dilemma between theory and practice arising when leaders attempted to match LCMs to their needs was strongly reiterated when leaders were asked to address shortfalls in the model.


#### Competencies understated: Interpersonal skills and attributes

While some leaders believed interpersonal leadership skills were missing, other argued that they were simply understated and needed more emphasis. As one respondent from C3 stated. “Is cultural diversity explicitly enough stated in the model? It could be mentioned more.”

 C3 / L12

Two leaders from C1 elaborated on how this need could be addressed, while a C2 participant was more aphoristic in their request for greater interpersonal sensitivity.

“Empathy and self-awareness. Being able to tell the story in a different way. A good leader not only drives the company forward focusing on results, but listens to people because otherwise he will lose people on the way; people don’t just want to follow.”

 C1 / L4


“Empathy; understanding the world through other people’s eyes should be emphasised more.”

 C1 / L9

#### Competencies understated: Business skills

Leaders argued that their respective models failed to address the business needs of the organisation by understating three key aspects of the business centred on the customer: belief in the brand, putting the customer first, and having a less inward looking design. Leaders cited intercultural relations with customers as being as important as intercultural relations with staff.

“It’s not the systems and processes that spend the money, it’s the customers. So, we are not customer focused enough in (C1). We are focused too much internally and there are only very few people that are customer focused.”

 C1 / L3

#### Behaviours lacking or understated

Figure 31 shows that leaders cited several behaviours believed to be missing or understated in their LCMs.

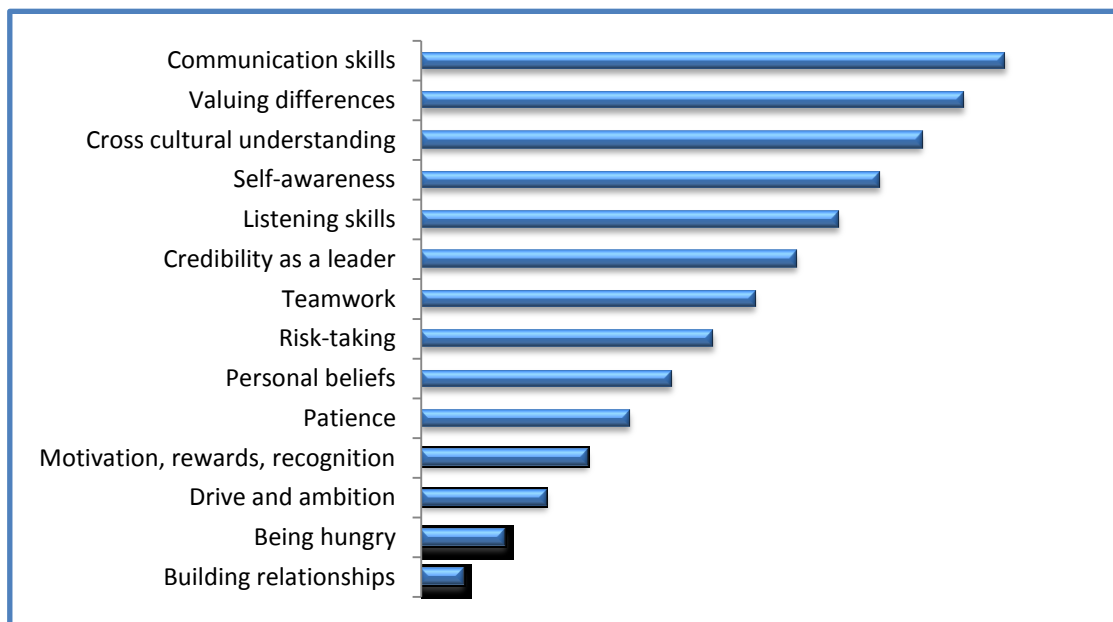



Fig. 31 Understated or Omitted Behaviours

A key observation from the data analysis, which aligns with cross-cultural research to date, is that leaders believed values are universal, but that the behaviours that underpin such values differ significantly across disparate cultures (Trompanaars-Hampden Turner 1997, Hofstede 2001, GLOBE 2004).

“The values are universal ... the behaviours are not, they are very specific.”

 C3 / L4

In addition, leaders in C1 and C3 in particular argued that behaviours in their model were not detailed enough.

“All in all the behaviours are not explicit enough. We need a translation of the model for different cultures. The behaviours have to be made more tangible. You need to bring it to life ... to paint some pictures ... Leadership development programmes are not encouraging

bringing the model to life. There is an assumption of cultural literacy and knowledge but that is a huge assumption, as only few people have the awareness and the know-how.”

 C3 / L4

“The wording is generic, very broad. There is lots of room for interpretation ... You need to have the ability to develop more granular language dependent on the location and the culture ... the words are very simple but people probably do not understand.”

 C2 / L4

The detail orientation of LCM2 was considered typical of the reference culture, and this was seen to render the model less applicable in other cultures. By cross-tabulating the theme “model too monocultural” with the demographic “nationality”, the weighting of German leaders who believed their model was too German centric is demonstrated in Figure 32:

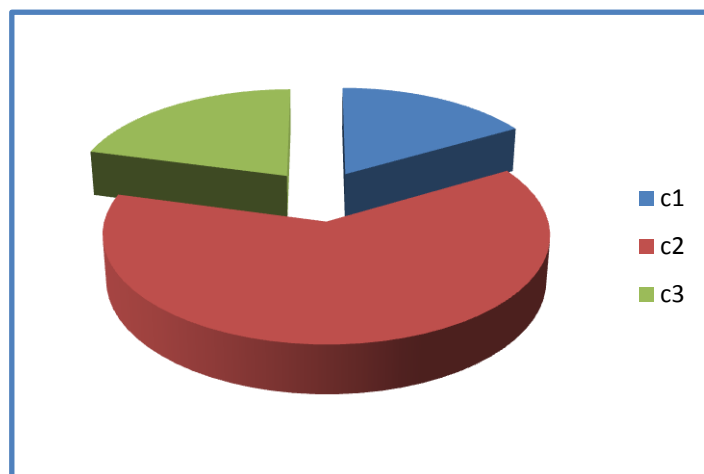


Fig. 32 Model too Monocultural by Company

“There is too much theory. We can’t make a German out of everyone.

 C2 / L2


“There are too many competencies ... You need more the helicopter perspective ... the top five core competencies.”

 C2 / L1


Of the other universal behaviours said to be lacking in the model, balancing global with local needs pre-empted the call, described later in the findings, to supplement LCMs with regional sub-models. Some leaders argued that the failure to promote local perspectives was rooted in the culture of the parent company, and missed an opportunity to harness the global potential

of the organisation. This aligns with opponents of universal management practices who argue that regional leader prototypes are more likely to be effective and gain acceptance among leaders (GLOBE 2004).

“We are a global world but it [the model] needs to be more diverse.”

 C3 / L1

“I cannot imagine that a global organisation has just one business model, I cannot even imagine it for Europe.”

 C3 / L8

Leaders also believed that LCMs were ineffectual if not supported by formal processes such as training.

“HR now has to tell the leaders of people what they expect ... give examples ... we need training on that ... not only training but in Germany you have to follow up...”

 C3 / L4

Leaders from C2 led concerns in this regard, although all three corporations were represented.

#### 5.4.2 Deficiencies: Areas for improvement

Figure 33 shows key deficiencies and areas for improvement cited by leaders.

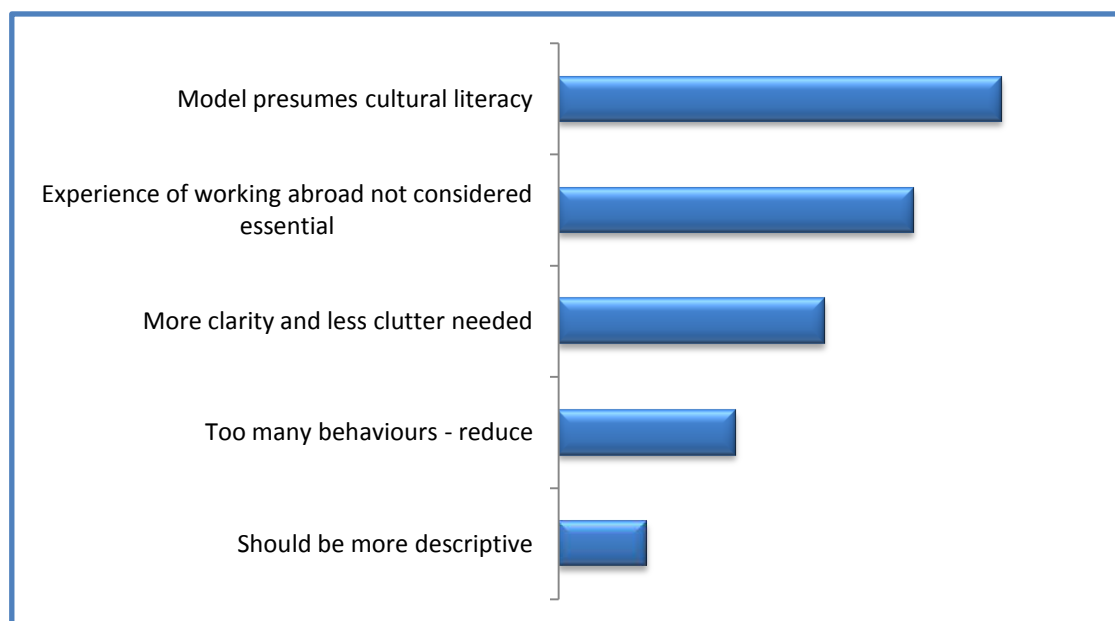



Fig. 33 Deficiencies and Areas for Improvement

Leaders believed that by presuming cultural literacy, LCMs, as currently conceived, overlook fundamental elements of culturally sensitive communication, the latter remaining a key concern for dispersed organisations. Thus, empathic communication, language skills and awareness of the impact of the language barrier on the effective transfer of LCMs across cultures is, according to leaders, underestimated in the models.

“As a leader you need to be able to translate that for your team ... what that means ... in a way that they actually connect with it ... translating this takes cultural intelligence.”

 C3 / L2

“We need more explanation about how to exercise these behaviours in different cultures. The leaders need to be aware of cultural differences. The model presumes cultural literacy of those using it.”

 C1 / L10

“... it is assuming that the leader already knows what these aspects of the model mean ... that there is an openness from the leader to appreciate diversity of thoughts and perspective ... it also assumes that the leader has already the maturity or ethnic background which I would think in a multicultural background is critical.”

 C2 / L2

## 5.5 Chapter summary

“All in all the behaviours are not explicit enough. We need a translation of the model for different cultures. There is an assumption of cultural literacy and knowledge but that is a huge assumption, as only few people have the awareness and the know-how.”

 C3 / L4

This survey of the extent to which three LCMs are transferable across cultural regions in MNCs has been based on three categories: leaders' views on essential competencies/behaviours for leading in a multinational environment; leaders' interpretation of competencies/behaviours contained in their respective LCMs; and the omissions and shortcomings of these prescribed competencies.

The findings illustrated the great diversity of core competencies cited by leaders, and the lack of specific fit between these cited competencies and those contained in the leader's respective

LCM. This also related to a perception that LCMs, as they stand, were of low relevance to leaders.

When cited competencies were arranged into five core competencies, there was broad agreement on the importance of interpersonal and visionary cross-cultural communication skills in leading in a multinational environment, along with geocentric situational and relational leadership skills. Such cross-cultural competencies and attributes, which are also detailed in research into global leadership and global mindsets (Yeung and Ready 1995, Goldsmith et al. 2003, Kets de Vries, Vignaud and Florent-Treacy 2004), were not, it was argued by leaders, adequately enshrined in the LCMs.

There were very high levels of incongruence and low levels of agreement in both matched and unmatched cited competencies relating to behaviours in the LCMs. This indicates a lack of uniformity in interpretation, and validates the hypothesis that culture precludes a common understanding of the behaviours comprised in the LCMs.

Leaders cited presumed cultural literacy as the most glaring deficiency in the three LCMs since this overlooked fundamental elements of culturally sensitive communication believed to underlie leadership in a multinational environment. This also indicates the cross-cultural sensitivities of leaders who did not draw their cited competencies from a corporate blueprint - unlike HR leaders who were generally supportive of models they authored and administer - but from their own experience, values and beliefs. Thus leaders tended to agree on essential competencies on cultural rather than corporate lines.

In light of this discussion of the competencies and behaviours both contained in the three LCMs, and regarded by leaders as essential for leading in a multicultural environment, the following chapter will present the findings concerning ease of implementation of the LCMs, and the impact of national culture on the transfer of LCMs across regions.

## **CHAPTER 6**

### **Data analysis: Ease of implementation of global LCMs and the impact of culture**

#### **6.1 Introduction to chapter**

Following the findings on leader opinions regarding essential competencies in LCMs (explored via categories 1, 2 and 5 of the topic guide), this chapter will present the findings based on the research question posed in category 3, concerning ease of implementation of the LCMs, and category 4, regarding the impact of national culture on the transfer of LCMs across regions.

Chapter 5 explored the extent to which three LCMs are transferable across cultural regions in MNCs based on: the leaders' views on essential competencies/behaviours for leading in a multinational environment; the leaders' interpretation of competencies/behaviours contained in their respective LCMs; and the omissions and shortcomings of these prescribed competencies. It was found that cultural barriers preclude a common understanding and identification with leadership competencies and behaviours prescribed in the models; but furthermore, that the LCMs assumed cultural literacy, and did little to accommodate such cultural contingency through required situational, relational and interpersonal competencies. Much of this preceding analysis feeds into the following findings on ease of implementation of the three LCMs, and the impact of national culture on implementation in different regions.

#### **6.2 Ease of implementation of the LCMs**

To gauge the ease of implementation of the three LCMs under examination in this study, leaders were asked the extent to which the required competencies and behaviours expressed in the LCM are “easy to implement within the teams for which you are responsible?” In addition, leaders were asked to define the key challenges in implementing the LCMs across cultures. Since responses to both questions greatly overlapped, the findings will be reported concurrently.

In the ease of implementation question, leaders were asked to categorise their responses under four headings, including:

- Very Easy
- Rather Easy
- Quite Difficult
- Extremely Difficult

Figure 34 shows the levels of coding associated with the headings.

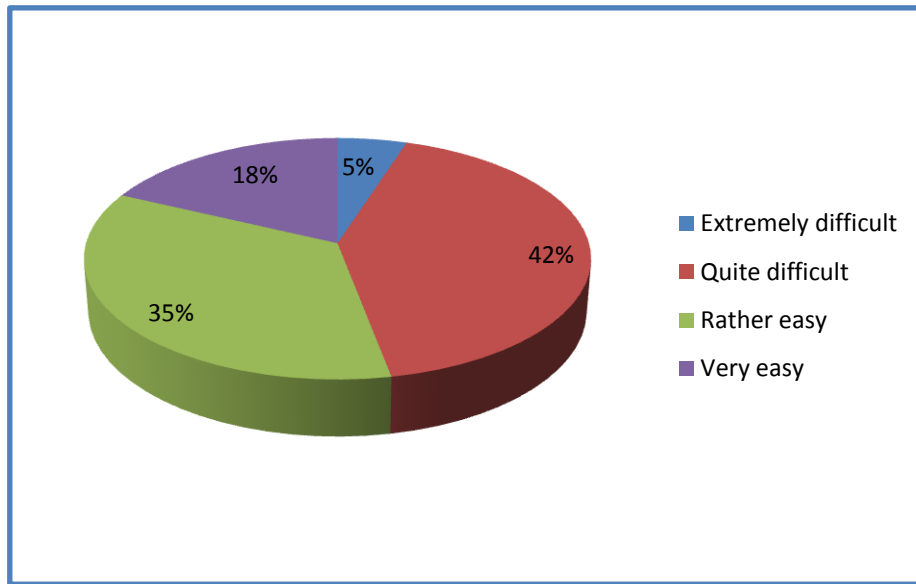


Fig. 34 Ease of Implementation

53% of leaders said the model, or parts of it, was very or rather easy to implement; while 47% said the model, or parts of it, was quite or extremely difficult to implement. Appendix X comprises three charts indicating the level of coding for this question on an individual company basis. Table 22 summarises these findings.

	C1	C2	C3
1=Extremely difficult	0%	0%	15%
2=Quite difficult	44%	37%	37%
3=Rather easy	50%	25%	33%
4=Very easy	6%	38%	15%

Table 22 Ease of Implementation


Given the diverse range of opinions and the almost equal division among leaders on ease and difficulty of implementation, leader opinions were split into four groups: those that gave an unqualified yes (18%) to ease of implementation; those that gave a qualified yes (35%); those that gave a qualified no (42%); and those that gave an unqualified no (5%).

These figures show that few leaders believed the LCMs were, in categorical terms, easy to implement. For the group that said the model was rather easy to implement, this was qualified by describing the complexities and contingencies of implementing such a universal model in a multinational, cross-cultural context. Leaders tended to argue that translating the corporate



vision across regions via LCMs will take time, and that cultural differences will need to be reconciled in specific, contingent ways. These latter issues were well surmised by one C1 leader.

I think time makes implementation a lot easier ... the translation of the vision and the way that they, that different cultures express themselves; so you have in a team people who want you to be prescriptive, people who respect hierarchy, people who don't challenge what you have to say, right through to people who will only listen to you once you've earned their trust ... once you've convinced them. So you have to be able to sort of operate with those different styles, and, and be comfortable that one side of cultures is going to challenge you, and challenge you in public, and may even back you into a corner, while there is another that will listen and basically go off and do anything that you say.

 C1 / L1

Ease of implementation is thus dependent on specific cross-cultural or boundary spanning leadership skills, flexible interpersonal communication, tolerance for ambiguity, and the ability to reconcile different conceptions of uncertainty avoidance and power distance.

Hollenbeck and McCall support this view, arguing that universal LCMs wrongly assume that effective leadership can be conflated into a single set of performance-based characteristics – the latter essentially reviving a trait-based approach that exalts individual acumen (Hollenbeck et al. 2006 p399). As discussed in Chapter 3, McCall and Hollenbeck (2002) described global leadership competencies that allow for cultural contingency, including open-mindedness, flexibility, culture interest and sensitivity, and resourcefulness, and oppose enshrining values in LCMs that revive a discredited results-driven, “great man” theory of leadership. Thus, individualistic, performance-based LCMs - inspired by change programmes obsessed with imposing uniform strategy across the organisation – have failed to inspire and energise leaders, becoming blunt instruments that defy easy implementation.

The need for intercultural competence was consistently raised in the findings concerning ease of implementation. Thus, “it is easy,” said one C3 leader, “provided that one has the cross-cultural competence” (C3\L3). Such qualification was more pronounced the more globally experienced the leader, as illustrated in Figure 35.

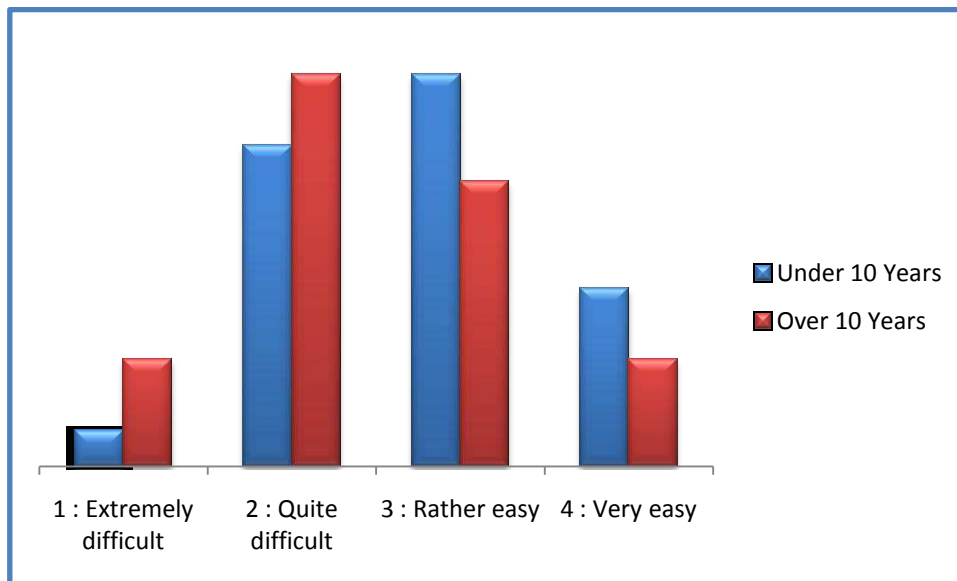


Fig. 35 Perceived Ease of Implementation based on Leaders' Level of Cross-Cultural Experience

It can be argued that experienced leaders are better positioned to anticipate the difficulties of universal model implementation by better understanding the complexity of the global environment, the diversity inherent in leadership interactions, and the enormity of the task of defining often paradoxical and contradictory leadership behaviours/competences in a single model.


“... the theory on paper is absolutely right ... but when it comes to the implementation of it, that's when reality bites.”

 C1 / L1


Additionally, experienced leaders were older, had the higher numbers of multi-ethnic groups reporting to them, and were more critical of their respective models. This finding was established by cross tabulating two demographic sets from the case files, as detailed in Appendix Y.

In their study of leadership universals across 28 countries, Rosen et al. (2000) point to the paradoxes and contradictions between social, personal, business and cultural literacies, a point that is endemic to LCMs that try to attain universal results in complex, cross-cultural environments. The 44% of leaders who found the model quite difficult to implement, as well as those leaders who found the model to be ‘rather’ easy to implement, referred to the dissonance between theory and practice as a key challenge. All respondents agreed that the model appeared easy to implement at first sight, but that complexity and contradiction emerged once they moved deeper into the implementation phase.

“the gap between theory and practice is quite wide ... it’s only when you actually get to lead [you] see that actually the gap between the written and the practical is quite high.”


 C1 / L1

“At a high level, the model is understood immediately but in daily working life it’s hard; the model provides a guideline.”


 C1 / L3

In line with the current debate on the usefulness of competency models to leadership development, leaders agreed that, though common competencies provide a broad foundation of knowledge and skill, global leaders draw upon distinctive competencies and attributes gained through experience to achieve results across varied contexts (Black, Morrison and Gregersen 1999, Emiliani 2003, Brownell 2006, Hollenbeck, Silzer and McCall 2006). Brownell, for example, suggests that “distinctive competencies”, formed through dynamic global leader experience in the field, need to be paired with standardised competencies (Brownell 2006 p310); while a range of researchers have agreed that such distinctive traits best allow leaders to deal with ambiguity and duality in complex multinational environments (Yeung and Ready 1995, Ernst 2000, Goldsmith et al. 2003).

“The theory is there but the problem is how to operationalise it”

 C1 / L4

“It is helpful to keep your eye on the wall but it is a stretch. So many things are underneath you have to get things on the table”

 C1 / L5

#### LCM2: Ease of implementation

The vast number of behaviours in LCM2 meant leaders found difficulty summarising behaviours considered “easy” or “difficult” to implement. 40% of leaders believed there was little sense rating all behaviours, while the remainder rated ease of implementation on a scale of 1-4 for each of the 42 behaviours. (Leaders in C1 and C3 selected various parts of the model that were “easy to implement”, and other parts that were “difficult to implement”. Leaders further qualified their responses with reasons that were coded into themes. Thus, many leaders were coded on the scale from “very easy” to “extremely difficult” according to their responses, some leaders ranging between the two extremes depending on the behaviour they commented on.)

In the case of C2, the six leaders who responded and rated ease of implementation on a scale of 1-4 on 42 behaviours is summarised in Table 23:

LCM2 Model							Average
E Making staff and teams successful	C2-3	C2-4	C2-5	C2-6	C2-7	C2-8	
<b>E1 Motivating and developing staff</b>							
Encouraging staff to use discretionary scope, act on their own responsibility and share in corporate responsibility	3	2	1	4	3	3	3
Motivating staff through suitable measures (e.g. challenging tasks, common goals, praise and recognition)	3	3	4	3	2	2	3
Being able to achieve even difficult goals without compromising staff motivation	3	3	1	4	4	4	3
Promoting a spirit of trust and cooperation, mutual esteem and team spirit, taking cultural differences/diversity into consideration	3.5	2	1	3	3	2	2
Giving staff honest and detailed feedback on their behaviour	3.5	4	1	2	3	3	3
Addressing conflicts and ensuring their prompt resolution	2.5	3	1	3	3	3	3
Creating systematic learning opportunities, and promoting the staff's willingness to learn	2.5	2	2	3	1.5	3	2
Developing the knowledge and skills of one's own staff members through focused and suitable measures (on- and off-the-job measures, job rotation, development plans, etc.)	3.5	2	3	3	1.5	3	3
Training talented candidates in the company and developing them according to their potential	3.5	4	1	2	3	2	3
Ensuring the company's future success through suitable succession candidates	3.5	4	1	2	3	3	3
Paying close attention to the composition and networking in the team, creating specialist and social synergies ("team excellence")	3.5	3	1	3	3.5	2.5	3
<b>E2 Providing guidance and managing performance</b>							
Explaining the corporate strategy and the strategy of one's own unit and making the requisite staff contributions for this clear	2.5	3	2	3	2	3.5	3
Expressing clear performance expectations and agreeing on challenging staff objectives	2.5	2	1	2	2	4	2
Involving staff in the definition of objectives	3	2	1	2	3	3	2
Enabling staff to perform at a high level by taking decisive steps to eliminate hindrances	3	4	3	3	4	3	3
Monitoring performance during the year through ongoing dialogue and feedback	3	3	2	2	2	3.5	3
Assessing performance fairly and equitably, recognising success and imposing clear consequences for less than satisfactory performance	4	3	3	4	2	3	3
Also delegating challenging tasks to staff members and conveying responsibility accordingly	3	2	1	3	4-5	3	2
Providing support for the achievement of objectives, ensuring quick availability	3	3	3	2	3	2	3
<b>F Making the company successful</b>							
<b>F1 Developing and implementing client-focused strategies</b>							
Displaying a clear understanding of performance towards both internal and external clients	2	1	1	3	3	3.5	2
Gearing one's own product or service portfolio strictly to the current and future needs of those clients, weighing company and client interests (cost/benefit)	2	3	3	3	4	3	3
Steering the results of one's unit so as to create the greatest possible contribution for the company (value added, corporate value)	3	2	1	3	2	3	2
Actively seeking and identifying business and growth opportunities for expanding business or further developing services	2	2.5	3	4	2	3	3
Identifying relevant developments at the client company, knowing how to maintain	2	2	2	3	3	3	3

client ties and ensuring long-term client satisfaction							
Providing innovative impulses and creating a culture that also allows innovative and creative solutions	3	4	3	4	4	3	4
Developing one's own strategy, involving staff members or the management team and other relevant corporate units	3	3	2	3	3	3	3
Paying attention to the overall corporate interest as well as cross-selling potential in servicing a market	3	3	1	4	4	2	3
Creating cost consciousness, organising processes/workflows in one's own area	2.5	1	2	2	1	2	2
<b>F2 Consistently exercising managerial responsibility</b>							
Serving as a credible role model through one's own performance and behaviour and being measured by one's own performance	2	2	1		2	3	1
Not only being satisfied with what has been achieved, but striving to realise the optimum for the company	2	2	1		3	3	1
Pursuing one's own objectives consistently, also in the face of resistance	2	3	3		1	2	3
Willingness to adopt an exposed position internally and externally, bear responsibility and take the necessary risks	2.5	4	3		3	4	3
Recognising and setting priorities for one's own area of responsibility within the framework of overarching strategic goals	2	2	1		2	2	1
Thinking and acting in terms of solutions	2	2	1		2	4	1
Making decisions quickly, courageously, pragmatically and in a logical manner	3.5	3	1		4	2.5	2
Initiating and driving necessary changes in order to advance one's own unit or the company	2	3	2		3	4	2
Further developing oneself, using feedback to do so and reflecting critically on one's own managerial actions and their effect	1	3	1		3	2	1
Being open to and respectful of other cultures	2	3	1		2	1	1
Overall Average = 2 = Quite difficult							2

Table 23 Ease of Implementation for LCM2

The individual ratings for C2 leaders in Table 23 were also averaged, with an overall total displayed at the bottom - C2 leaders thus rated their model a 2 in the scale, meaning quite difficult to implement. The LCM2 items viewed as difficult to implement centred on deficient humane orientation, motivational competencies, and feedback culture competencies (giving staff open and honest feedback). One C2 leader accordingly noted an overemphasis on managerial skills in the stead of leadership skills: “We need more motivational skills, being approachable, available and building rapport”

 C2 / L1

The second most cited difficulty was the length of the LCM2 - only two of the leaders found it exhaustive and comprehensive rather than exhausting and overdone.

“It makes sense if it is limited in its actual statements!”

 C2 / L7

“... this is typically German, everything needs to be put down 100%, but that way you often lose the essence.”

 C2 / L2

“It only makes sense if it is limited – the core statements need reinforcing.”

 C2 / L7

The detail orientation typifying the high uncertainty avoidance and performance orientation (Hofstede 2001, GLOBE 2004) of the Germanic cluster explains the lengthiness of the LCM2 – and also explains its low level of appeal (Kumbier and Schulz von Thun 2006) in a non-Germanic environment, as also discussed in Chapter 4. Finally, leaders found the German ethnocentricity of the model problematic as anticipated and alluded to in chapter 4.

#### LCM3: Ease of implementation

The 15% of leaders in C3 who said their model was extremely difficult to implement cited the multicultural challenge of extrapolating a US centric model in the global environment. One leader combined comment on ethnocentricity with presumption of “cultural sensitivity”, a point made consistently in the previous findings regarding essential competencies and behaviours.

“The model is not sensitive from a multicultural point of view; the challenge is in a multicultural environment. This is an Anglo-Saxon take on leadership competencies that relies on the ability and sensitivity of the leader. The model presumes cultural sensitivity and doesn’t give any guidance concerning multicultural aspects.”

 C3 / L2

A number of researchers have commented that leadership definitions in LCMs derive from North American business models that are inadequate to deal with the complexities of global markets – for example, when leadership behaviours in Asia, Europe and the Middle East form part of the multinational context (House 1995, Yukl 1998, Morrison 2000, Trompenaars and Woolliams 2007). Thus, some C3 leaders argued that leadership challenges increase exponentially when moving from a national to multicultural environment. “The more multicultural the groups become, the more difficult and complex it becomes”

 C3 / L6

The findings indicate that leaders believed universal, generic competencies to be relevant in a multinational context when focused on situational and relational leadership, and when

expressed in abstract terms – as described in Chapter 3, Smith and Bond Smith (1993 p58) noted that universal or etic behaviours need to be phrased in highly abstract ways, but can be elaborated specifically in regional contexts. Thus, leaders were concerned about the transferability of LCMs across cultures when values or behaviours became too prescriptive.

Content from the transcripts and audio files for all leaders in the three MNCs was re-coded to identify the issues raised by leaders regarding ease of implementation, and to qualify their responses. The coded data was then distilled into two broad categories or bodies of opinion: those leaders believing implementation was easy; and those that saw difficulties in implementing their LCM.

### 6.2.1 Items supporting ease of implementation

The items raised by respondents arguing implementation was easy or rather easy are set out in Figure 36. This chart is weighted according to the positive factors associated with the respective models.

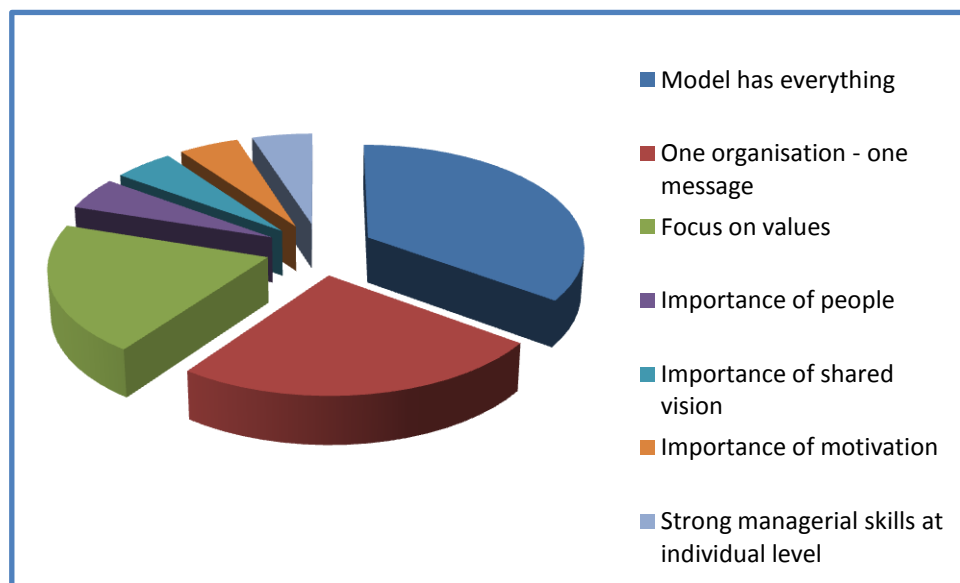


Fig. 36 Weighting of Positive Factors

The following ‘clustered’ points of agreement emerged from the coded references to “easy” or “rather easy” implementation, and constitute the key findings in support of ease of implementation.

- The LCM is adequate
- The importance of having one set of values/one message
- The importance of managing and motivating people

The importance of fostering a shared vision has been alluded to in the previous chapter and will be elaborated in Chapter 7, which outlines factors in favour of having a universal model.

The LCM is adequate

Two of the leaders believed that the models, as currently configured, were easy to implement and needed no further changes. One stated simply, “it’s more or less easy because it is very generic. The wordings are generic, it’s very common sense and non-confrontational.”

 C2 / L4

Previous findings have shown that a minority of C2 leaders believed LCM2 contained easy, generic wording.

“I don’t see there is any difficulty. Cultural factors and adaptability come in. It is easy provided that one has the cross-cultural competence.”

 C3 / L3

This statement highlights the presumption within the LCMs surveyed that leaders have the cross-cultural competence to successfully adopt the model across regions. As summarised in Chapter 3, a recent survey of Fortune 500 companies rated ‘competent global leaders’ ahead of all other business needs for the future, with nearly all (85%) indicating a current deficiency in such leaders (Black, Morrison and Gregersen 1999). Yet the ongoing tendency to assume cross-cultural competence in extant global leadership models has caused some scholars, including Emiliani (2003), Hollenbeck, McCall and Silzer (2006) and Brownell (2006), to argue that such models can be detrimental to developing global leadership competence.

The importance of having one set of values/message

The vast majority of leaders stressing both the ease and difficulty of implementing their relevant LCMs stated the need for a single set of organisational values communicated ‘with one voice’. To facilitate comparative leadership performance assessment processes across regions, the leaders also highlighted the importance of a common set of competencies built around these values. Some leaders believed their respective LCM was therefore easy to implement because, by defining strategic business goals (Silzer 2006), it helped facilitate synergies across the organisation.

“There is a need to create synergy ... the ability for the organisation to disassociate itself from business values is extremely high at C1. We need to be clear about the non-negotiables.”

 C1 / L8



Mansfield (1996) similarly argued that a common competency framework importantly aligns the organisation's mission and values to its strategic goals. As indicated in Table 14, twenty-one respondents argued that LCMs help build shared vision.

“We build shared vision is harder to implement but the aim is to have identification with the shared vision on a global scale.”

 C2 / L7

Though, initially, shared leadership is “harder to implement”, the attempt to facilitate a common strategic vision across the organisation was seen to ultimately help the implementation of such a model.

The importance of managing and motivating people

Leaders who identified high ease of implementation tended to view managing people and personal competencies as the most positive aspect of the model. Figure 37 shows the balance of coded data between people-related citations and other non-person centred citations:

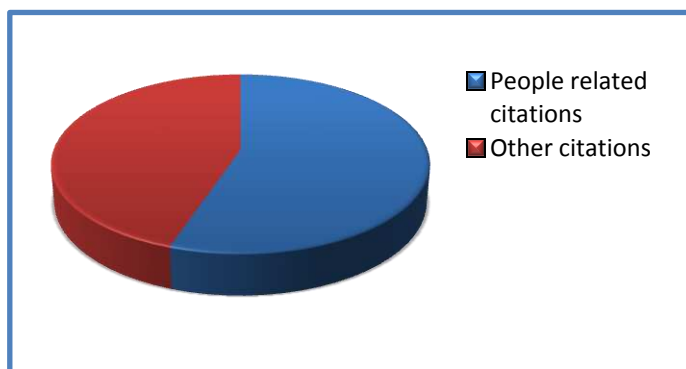



Fig. 37 Importance of Managing People

“It's easy to assess and measure teamwork, leading through influence, personal stuff, the business competencies are harder to measure when it comes to team members.”

 C3 / L7

“The personal competencies are a little easier to implement on multinational ground. The business leadership competencies are easier to implement within one's region.”

 C3 / L5

“Encouraging staff to use discretionary scope, promoting a spirit of trust and cooperation, agreeing challenging staff objectives ... are rather easy to do.”

 C2 / L4

While some leaders found “business competencies are harder to measure” and implement, personal competencies, where they were included in the models, were seen to enhance the implementation and adoption of the LCM - behavioural indicators such as “motivate, coach and develop”(LCM1), “promote a spirit of trust and cooperation” (LCM2), and “work cooperatively as a member of a team” (LCM3), are all fundamental relational leadership values (Burns 1978, Bass 1997). As discussed in Chapter 5, interpersonal and visionary/motivational competencies figured highly in the essential behaviours identified by leaders, and continued to elicit positive feedback when leaders were quizzed on the best way to effect multinational competency architectures.

To summarise, over half of the leaders agreed that LCM implementation was eased when the model promoted one set of corporate values aligned to the strategic goals of the organisation. Though these values will be differently articulated depending on implicit values (Emiliani 2003, Schein 2004) and cultural context, the inculcation of common goals and vision, even in the face of acknowledged cultural contingencies, remains a fundamental rationale for creating a competency model, and for easing its implementation.

### 6.2.1.1 Items impeding ease of implementation

The issues raised by leaders who believed implementation was “difficult” or “rather difficult” are set out and weighted in Figure 38:

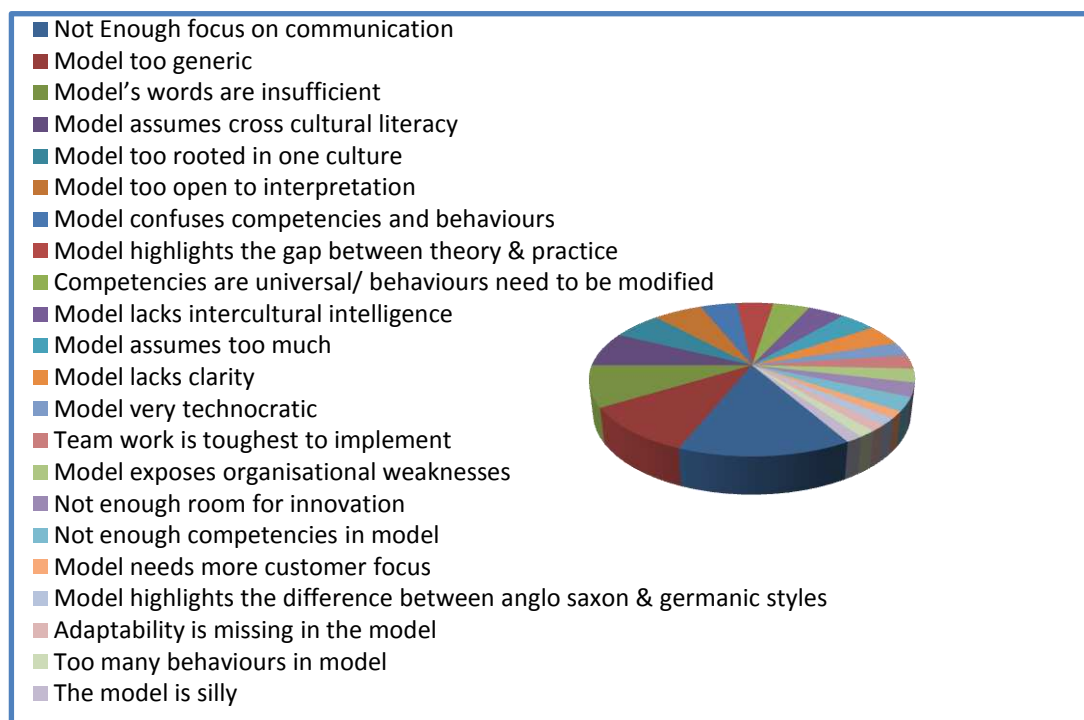


Fig. 38 Weighting of Issues Impeding Ease of Implementation

These coded references to ‘concerns’ about implementation of the LCMs can also be analysed by individual company, as set out in Table 24.

Difficult to Implement	C1	C2	C3
Not Enough Focus on Communication	6	6	4
Model Too Open to Interpretation	3	3	1
Model's Words Are Insufficient	4	1	1
Model Too Rooted in One Culture	3	2	2
Model Highlights the Gap Between Theory & Practice	3	1	0
Too Many Behaviours in Model	0	4	0
Model Too Generic	0	3	0
Model Assumes Cross Cultural Literacy	1	2	0
Model Confuses Competencies and Behaviours	0	3	0
Competencies are Universal/ Behaviours Need to be Modified	3	0	0
Model Assumes Too Much	1	0	2
Model Lacks Clarity	0	2	1
Model Lacks Intercultural Intelligence	2	0	0
Model Very Technocratic	0	2	0
Team Work is Toughest to Implement	1	1	0
Model Exposes Organisational Weaknesses	0	2	0
Not Enough Room for Innovation	0	1	1
Not Enough Competencies in Model	1	0	0
Model Needs More Customer Focus	0	1	0
Model Highlights the Difference Between Anglo Saxon & Germanic Styles	0	1	0
Adaptability is Missing in the Model	0	0	1
The Model is Silly	0	1	0

Table 24 List of Concerns Analysed by Company

When the concerns articulated by leaders were grouped into categories the following broad areas emerged (items relating to intercultural intelligence will be analysed under category 4, concerning the impact of culture on implementation).

1. Poor communication of/in the model
2. Model too open to interpretation
3. The model is ethnocentric and rooted in the culture of the parent company
4. Core competencies may be universal but behaviours are culturally contingent
5. The model highlights the gap between theory and practice

These core concerns about LCM competencies and behaviours, believed to impede model implementation, re-emphasise most of the findings presented thus far, and acknowledge the key leadership challenges in a complex multicultural environment. Together, these concerns also confirm the hypothesis that national culture precludes a common understanding and enactment of a universal leadership competency and behavioural model across regions.

### Poor communication of/in the LCM

Leaders from all three corporations believed the models were poorly communicated. Nearly half the leaders cited effective communication - underlined by cultural sensitivity and empathy - as essential for leading in a multinational environment, but did not believe the LCMs achieved this aim. As “communication competence” was discussed at length in category 1, this section will focus on the communication of the LCMs within the organisations; and the language used in the three LCMs.

### Communication of the LCMs

Leaders in all three corporations cited training and instruction as critical for successful communication of the model cross-culturally.

“... training ... there has to be heavy training ... training is my number one concern.”

 C3 / L12

“We need systematic learning opportunities ... theoretically it is easy, but practically it’s not.”

 C2 / L8

“We need guidance for the leaders ... the model needs to be driven through the countries otherwise it loses some of its potency.”

 C3 / L4

According to Morrison (2000), HR management professionals must add value to competence models by unifying both ‘idiosyncratic’ and general components of organisational leadership through improved communication. The need for HR to encourage and guide leaders to embrace LCMs as a central component of their leadership brief is doubly important due to general leader unfamiliarity with LCMs, and leader failure to utilise such models. The generally poor communication of the LCMs means they are not, according to leaders, ‘lived’ in the organisation.

As outlined in Chapter 5, HR leaders comprised 29 per cent of the total number of leaders in the study (38), yet this minority dominated leader concern with “translating the model” (63%). The HR community was keenly aware of the need to enhance the communication of the behaviours within the models. It can be argued that HR is more cognisant of the view among cross-cultural leadership researchers that LCM effectiveness is highly dependent on the method of implementation (House, Delbecq and Taris 1996, Pucik 1998, Bossidy and

Charan 2002, Silzer cited in Den Hartog 2004, Bird and Osland 2004, Osland et al. 2006, Hollenbeck, McCall and Silzer 2006).

According to Pucik (1998), the global HR function should be to act as a role model in global recruiting and human resource development. Morrison (2000) argues that function specific, local HR should be responsible for contributing context-specific competencies and behaviours to universal LCMs. Accordingly, leaders looked to HR – if sometimes not explicitly – for greater communication and guidance when implementing prescribed behaviours across cultures.

“There should be more explanation about how to exercise behaviours in different cultures”.

 C1 / L10

“... you need a local relevance ... it's good that everyone is speaking the same language ... using the same framework, but there has to be local relevance ... we think we are communicating effectively and we're not ...”

 C3 / L12

If HR are to ensure that leaders are “communicating effectively”, this is also dependent on HR driving effective cross-cultural communication at the implementation stage – a role further affirmed by the greater HR familiarity with models.


“Communication needs to be improved; get the global HR team and change management teams involved.”

 C3 / L10


#### Low- vs. high-context communication

Reflecting the high assertiveness, individualism and performance orientation of the origin countries (GLOBE 2004), the language used in all three models typifies low-context communication where organisational aims are unambiguous (Den Hartog 2004). Thus, in high-context communication cultures like Asia - the biggest growth market for the three MNCs - the assertive demands in the three LCMs may be difficult to implement. Performance orientated demands such as “address failures” (LCM1), and “relentlessly pursue the achievement of goals” (LCM3), define a low-context communication style that will be less meaningful, and more alienating, in high-context cultures. Leaders from all three corporations who criticised their respective models raised Asia or non-Western regions in the specific context of language.

“‘Communicates effectively and candidly’ would be absolutely difficult in an Asian context. There is a difficulty of giving feedback and losing face.”


 C1 / L1

“... the ability to communicate in a way that others expect communication to be is probably one of the most critical things ... this model is more suitable for a Western environment ... they are good behaviours to have anywhere ... but I think it’s going to be more challenging from a cultural perspective to implement them in an Eastern culture in the way they are stated.”

 C1 / L6

### Language in LCM1

The language in LCM1 was not seen to reflect the HQ cultures (Netherlands and UK) in particular, but a more general, Western low-context communication style. In addition, the language used in LCM1 was viewed as ambiguous and less comprehensible within certain cultural contexts, including high-context communication cultures. As one C1 leader states: “This is typically English; it’s hot air.”

 C1 / L7


Leaders from C1 who believed the model difficult to implement, said that explication was needed to facilitate understanding. This would be achieved through

- the inclusion of functional leadership competencies
- a higher level of explanation of entailed competencies for less experienced leaders
- guidance on how these behaviours are to be lived

Seven of fifteen leaders in C1 felt that the terminology would be alienating in certain regions, thus impeding effective implementation. “It needs to be simpler and sharper ... If I am sitting in Shanghai I will need to know what is meant.”

 C1 / L14

One leader was acutely aware of the contingency of language and communication, and again was concerned that a low context style would not transfer well. “We know the rules and stick to them ... yes, for the Germans that’s clear because they are very black or white but other cultures deal differently with rules. They are not so strict.”

 C1 / L3


### Language in LCM2

Poor wording, or context specific wording, was cited as a barrier to the transfer of LCM2 across regions. Almost half of C2 leaders felt the model was difficult to implement due to wording (no differentiation was made between English and German language) deemed peculiar to German culture. Leaders cited examples of technocracy, length, exactness and intelligibility as barriers to ease of implementation. The detailed explication was viewed as redundant and lacking appeal, and exemplifies Smith and Bond's (1993) argument concerning abstract phraseology of social behaviours.

### Language in LCM3

The wording in LCM3 was viewed as peculiar to the US by more than half of the leaders: implausibility, partiality and prescriptive ethnocentrism were cited as impediments to transferring the model on a global scale.

“The US give guidelines ... most I would agree with, but there are some I would be careful with. It makes me feel they are not aware and not that interested.”

 C3 / L9

“The model is ok, it gives you the possibility to act within these competencies; it's flexible. From a German perspective, HR needs to tell the leaders what they expect, because this is too vague for the Germans ... it's more or less in there, but our employees do not really know about it. It's a US model.”

 C3 / L4

The direct and forthright communication style of individualistic cultures like the US is well known (Lewis 1996, Trompenaars and Woolliams 2007, House et al. 2004). As outlined in Chapter 3, LCM3 reflects the high individualism ranking of the US in its appeal to high individual accountability; yet leaders point out that that this will be problematic when applied in collectivist cultures that favour in-group orientation (Gudykunst, Ting-Toomey and Chua 1992).


### Model too open to interpretation

Leaders recommended that universal competency models be translated and edited by local experts to regionalise the language for clarity of meaning. This will also be a fundamental when developing regional sub-models, as will be elaborated in the Chapter 7, and ensuring that specific cultures are involved in the implementation process.

“The translation of the model is a critical success factor ... the regions have to be picked up and wholeheartedly involved.”

 C2 / L3

“Start with the basics ... translate it.”

 C1 / L4

The model is ethnocentric and rooted in the culture of the parent company

As noted in Chapter 5, leaders consistently critiqued LCMs for being too entrenched in the culture of the parent country, believing such ethnocentrism to be an impediment to implementation across diverse contexts. This view supports the argument that domestic leadership models with a mono-cultural bias have not been designed for broader international application (Morrison 2000, Trompenaars and Woolliams 2007).

US centricity of LCM3

A majority of C3 leaders (6 of 10) said their LCM reflected US business values; this was viewed as a barrier to global implementation.

“The model is very US oriented ... The leader takes risks, has self-control, steps up and comes up with a solution - followers don’t.”

 C2 / L12

“... they would read and interpret the model with a Germanic frame of mind ... they come with their cultural baggage and perspective and they read it differently than a US person.”

 C3 / L11

The model’s context specific behaviours were said to hamper ease of implementation, leaders citing “control and command”, “short-term strategic orientation”, “individual accountability” and “emphasis on maximising efficiency” as being idiosyncratically US leadership behaviours. While US-generated leadership models have succeeded domestically, the tendency to assume the long-term efficiency of markets (Morrison 2000) inspires a series of short-term leadership strategies that would not apply, for example, in the Germanic context. The perceived dissonance between espoused beliefs and the actual practices in place in the organisation also limited the validity and credibility of the model. “Plans and acts strategically” was frequently cited as wishful thinking, for example, rather than a reality in C3.



“ We are short-term oriented; it’s hard for people at C3 to stick to the plan as we are very short-term oriented.”

 C2 / L4

This belief-based dissonance is a recurring theme among theorists who have questioned the efficacy of LCMs (Emiliani 2003, Hollenbeck, McCall and Silzer 2006). Leadership researchers have long appealed to US corporations to adopt an international perspective in human resources management (Tung and Miller 1990). In this way, both US and non-US C3 leaders in the study commonly appealed for a more culturally inclusive and less insular approach to their LCM.

“Is cultural diversity explicitly enough stated in the model? It could be mentioned more, we need inclusivity in a cultural context ... the local relevance piece is missing.”

 C3 / L11

German centricity of LCM2

Over half of the leaders in C2 (7 of 10) said the length and detail of LCM2 reflected its ethnocentricity. LCM2 behaviours were viewed as too specific to be meaningfully transferred across regions.

“Important things are diffused by everything else. There is a need for clarity; there are hundreds of items in here, the more you put in the less you are going to achieve.”

 C2 / L7

“This model is too detailed. It dictates certain behaviour patterns which might only more or less fit into a certain culture ... it is unique to C2 and more of wishful thinking than what we actually have at C2.”

 C3 / L11

C2 leaders argued that such a detailed, technocratic approach was reflective of a peculiar, hierarchical management culture that was anathema to the goals of flexible, cross-cultural global leadership. One leader was very articulate on this point. “The model describes management rather than leadership. A manager does the right things, leadership is much more.”

 C2 / L11

The point was made consistently by C2 respondents: “In Germany the boss knows best, there is less openness; hierarchical thinking is reflected ... in other areas people would be shocked if they had to do what is in this model.”

 C2 / L10

As discussed above, such criticisms were stronger among more experienced leaders who actually worked across diverse regions, and understood the limits of ethnocentric model design in a multinational context. Figure 39 shows a direct relationship between leaders that believed their model was too rooted in the culture of the parent country, and their level of intercultural experience.

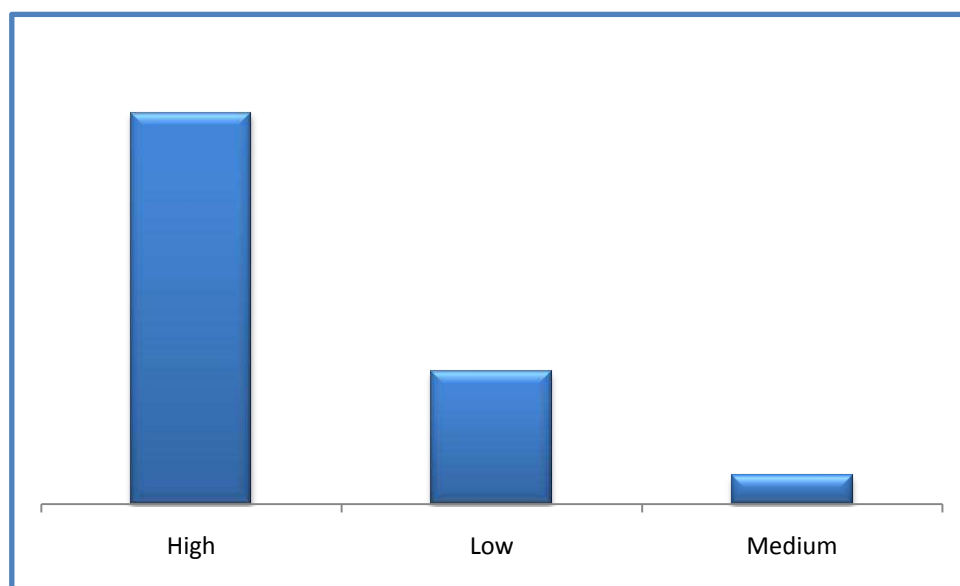


Fig. 39 Coding by Intercultural Experience

Core competencies may be universal but behaviours are culturally contingent


The leaders stressed how important it is for HR management to ensure that the differences between universality and cultural contingency in the model design are highlighted, and to provide the requisite guidance concerning their interpretation.

“You would need to invest time, it’s not easily transferrable. There is a need for interpretation guidelines and translation to make sure you come up with the same result.”

 C3 / L2


Whereas leaders were generally satisfied with the core competencies as set out in the LCMs, they were equally dissatisfied with the behaviours used to underpin such competencies since

they were too vague to be implemented. Typically, a C3 leader commented that “the values are universal ... the behaviours are not very specific.”


 C3 / L3

Other leaders argued for more comprehensive detail in order to guide less experienced leaders during implementation. The need for experience, openness and cultural savvy was repeatedly stressed.

“The model should be more explicit for guiding younger leaders. The implementation depends on the personality, the experience and know-how of the leaders.”

 C1 / L9

“It seems easy but nevertheless you must learn a lot to implement the behaviours and be talented.”

 C1 / L7

“It is rather easy to implement the behaviours with the required experience and openness.”

 C1 / L11

In the findings on essential competencies, the extent to which explicit leadership behaviours are defined was a key factor for leaders assessing whether the competencies/behaviours in the LCMs capture their needs; or whether they are then easy or difficult to implement. The leaders’ responses were divided on this issue: proponents for detailed explication argued that more detailed and specific competencies - including functional competencies and detailed guidance on leadership per se – help ease LCM implementation; while opponents of detailed explication (i.e. those that favoured a high level model with five to ten competencies) believed that behaviours need to be abstract and generic, allowing leaders to draw on their own experience in the field and adapt to the context specific requirements (Brewster 1999, Brownell 2006). The level of explication is, therefore, culturally contingent, and influenced the perceived ease of implementation.

#### Gap between theory and practice

As detailed in Chapter 5, the transferability of the LCMs is strongly impacted by conflicting day-to-day business realities. In their assessment of LCM implementation, a majority of leaders questioned the credibility of the model due to a perceived gap between the behaviours listed and the actual demands of leading across regions. This gap can again be attributed to the central role of HR on LCM design and implementation, the former remaining insulated in

ivory towers away from the complex reality of global business functions (Adler and Bartholomew 1992).

When there is a perceived dissonance between the espoused behaviours in the LCM and organisational behaviours in practice, the leaders, in line with Emiliani (2003), questioned the relevance of the model. Figure 40 shows that 25 of 38 leaders raised theory vs. practice as an issue impeding LCM implementation.

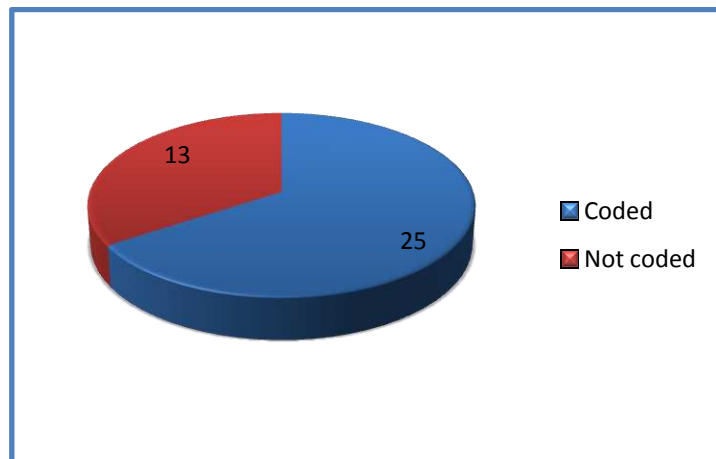


Fig. 40 Theory vs. Practice

Table 25 reflects the dissonance between leader perceptions of espoused practices in LCMs, and the reality in organisations. This dissonance lessens the credibility of the model, and can disassociate leaders from the LCM (Emiliani 2003), a factor explaining why leaders could not recall LCM competencies as described in Chapter 5. The table lists leader comments on the practical applicability of the behaviours detailed in the LCM, comments that are representative of 30% of opinions across the three MNCs.

<b>LCM</b>	<b>Behavioural Indicator in LCMs Espoused behaviours</b>	<b>Leader Statements Behaviours in place</b>
LCM1	External Mindset: We focus on customers, governments, key stakeholders.	We are not customer focused enough at C1, we are too internally focused, there are very few people who have a customer focus.
LCM1	Delivery: We reward success and address failures	It's key, as often we just set goals but don't reward, and that is not working. If you really want to motivate and engage people you have to reward success.
LCM1	Capability: We get the right skills and use them all	We don't do this; we are very limited the way we are looking for skills.
LCM1	Focus: we set clear priorities and reduce complexity	It's a big challenge "to set clear priorities and reduce complexity" as this is dependent on global issues.
LCM1	External Mindset: We focus on customers	We focus on customers is extremely difficult at C1. There is such a strong internal orientation with programmes and changes that we just forget about the customers.
LCM1	Drive: We grasp opportunities with energy and take on tough challenges	It's difficult to grasp opportunities due to workload and complexity: if you had more time and the freedom to be more pro-active this would be easier.
LCM2	Explaining the corporate strategy and the strategy of one's own unit and making the requisite staff contributions for this clear	This is more wishful thinking than we actually are.
LCM2	Providing innovative impulses and creating a culture that also allows innovative and creative solutions.	Innovation is very hard around here, as there is no time for free thinking ... and the call to be solution oriented in the model ... I think we are more problem oriented than solution oriented.
LCM2	Paying attention to the overall corporate interest as well as cross-selling potential in servicing a market	The model was put together by people who don't know the business ... The behaviours are more wishful thinking than what we actually have here at C2.
LCM2	Assessing performance fairly and equitably, recognizing success and imposing clear consequences for less than satisfactory performance	C2 hinders this. We are not punitive on underperformance.
LCM3	Identifies the changing needs of our customers, employees and system and successfully leads innovation that improves the business	In Germany they are very satisfied with the status quo ... they don't drive for the results they need. Germany is very satisfied ... the US is never satisfied ... it's a penny business.
LCM3	Works cooperatively as a member of a team and is committed to the overall team objectives rather than one's own interests. Is open to other's diverse ideas and leverages the team's difference to achieve results	There's not a lot of teamwork ...  There's a lack of accountability for results.

Table 25 Examples of Dissonance between Espoused Behaviours in LCMs and Behaviours in Place

The obvious need in MNCs for global leadership competencies (Hollenbeck et al. 2006, Accenture 2007) is not being met by the three LCMs under investigation. The leaders in this study who are trying to implement global strategies and lead multinational teams articulated a need for a LCM that bridges the gap between leadership theory and global realities.

### **6.2.2 Summary: Ease of implementation**

When leaders across all three MNCs were questioned about the ease of implementation of their respective LCMs, the overall picture is one of failure to construct the model with sufficient relational and situational context to be effective in a cross-cultural, global leadership environment.

Leaders found some aspects of the LCMs easy to implement, especially competencies centred on managing and motivating people, while global implementation was also facilitated via the promotion of one set of corporate values aligned to the strategic goals of the organisation. However, a majority of leaders argued that the low-context, unambiguous language style of the LCMs precluded their universal application in high-context, non-Western cultures, a point that feeds into ongoing issues about inadequate cross-cultural context.

Leaders thus hoped to better translate meaning across regions, and to give the regions input into model design. HR must add value to LCMs, it was argued, by identifying universals and cultural contingencies, and communicating these issues through training programmes. Too often, however, cultural literacy was presumed, a point more commonly made by more experienced cross-cultural leaders. It was feared that the models, as they stand, were too ethnocentric to facilitate such input, especially the low-context communication style of C1, and the prescriptive, highly detailed C2 model, for example.

The perceived gap between prescribed and practised behaviours was also believed to impede model implementation. It can be argued that, as elaborated in Chapter 4, the significant cultural dilemmas that have defined these models from the outset have ultimately limited their multinational applicability. In the long term, if MNCs are to create truly cross-cultural LCMs that can be implemented fluidly across national boundaries, the impact of culture - and the inevitable play of cultural dilemmas - needs to be more fully realised.

### **6.3 The impact of culture on the implementation of the model**

Having explored the numerous variables that either hinder or facilitate the implementation of LCMs in a multinational environment, category 4 tests the central hypothesis of this thesis: that national culture impacts on the development, understanding and deployment of LCMs in MNCs. Though the impact of culture has been a consistent theme throughout category 3, it will be instructive to further tease out this fundamental element of the study, and to evaluate these findings in the context of the extensive studies carried out on global leadership (Yeung and Ready 1995, Trompenaars and Hampden-Turner 1997, Black, Morrison and Gregersen 1999, Rosen et al. 2000, Morrison 2000, GLOBE 2004, Hollenbeck, McCall and Silzer 2006).

To this end, leaders were asked if culture impacted on the implementation and enactment of leadership competency models. Nearly all were unambiguous in their responses, clearly articulating the influence of cultural factors at all levels of implementation. Figure 41 shows the key cultural items cited by leaders, weighted by coding levels, that impact on the enactment of LCMs.

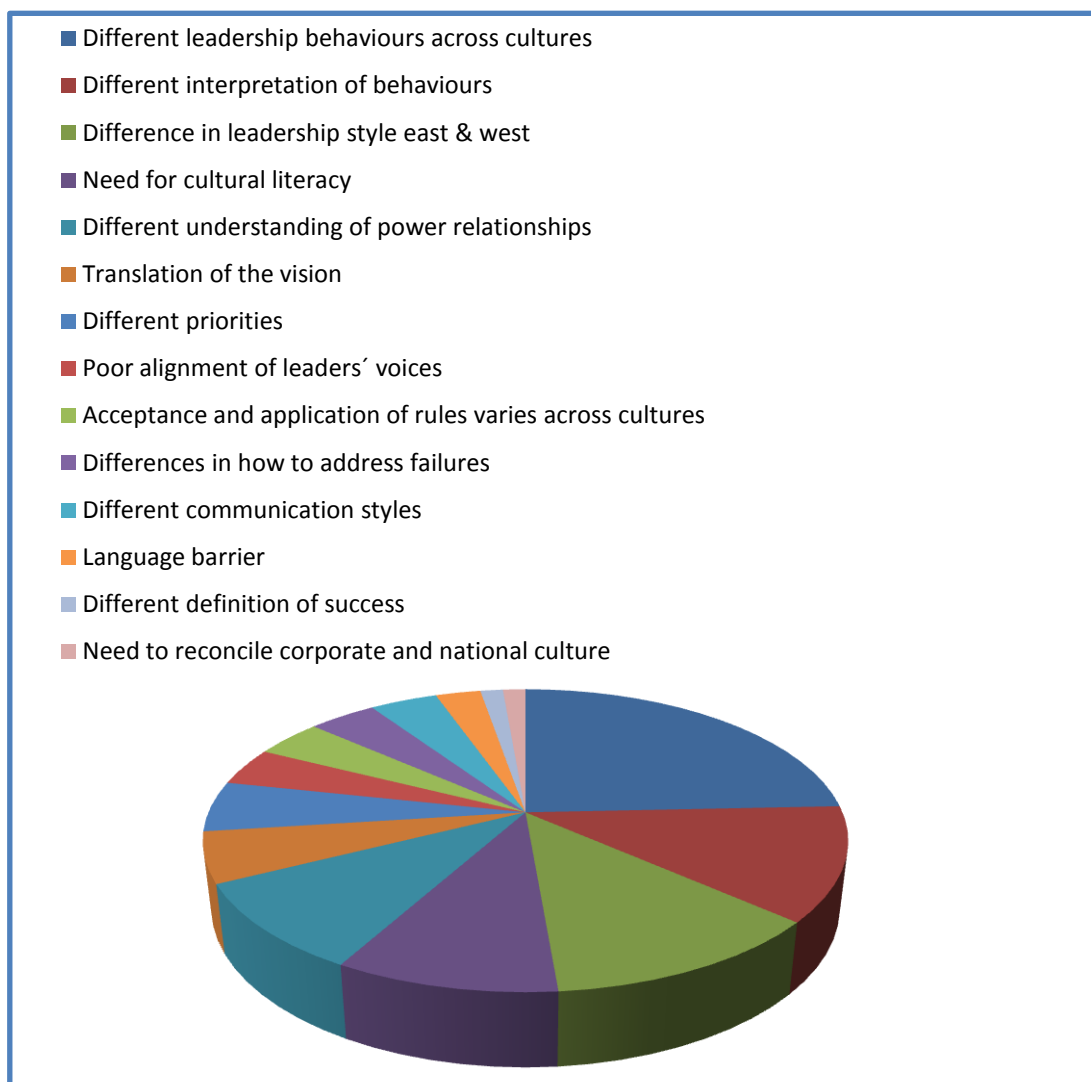


Fig. 41 Cultural Factors Influencing the Implementation of LCMs

The large overlap between Figure 41 and Figure 38 (issues impeding ease of implementation), indicate how cultural variables dominated leader analysis of LCM implementation. Both figures refer to cultural impacts across a range of competencies and behaviours, and the ongoing need to reconcile cultural dilemmas and contingencies in any universal model. These cultural impacts, dilemmas and contingencies include:

- Communication - the contrast between high and low-context communication, the need to resolve these differences - especially a tendency to impose Anglo low-context models on Asian high-context cultures, for instance – and the need to make personal and interpersonal communication a priority in diverse situational contexts.
- Presumed cultural literacy – leaders stressed the need for better cultural training and flexibility. Leaders need, for example, to appreciate that high uncertainty avoidance in the Germanic model - resulting in strict adherence to procedures - will be less desirable in some low uncertainty avoidance cultures. However, the need for such adaptability is assumed and is not built into the model.
- The gap between theory and practice - highlighting the diversity of organisational behaviours, and the difficulty of imposing stringent competency guidelines, unless of course they are adaptable and cross-culturally mediated at the regional level.
- Performance orientation - the sense of urgency and achievement in transformational cultures like the US contrasts with the analytical and risk-averse approach prevailing in German clusters that seek security and good working relations.
- Humane orientation – relatively low in German clusters due to technocratic approach to leadership, but higher in the US where charismatic, transformational leadership is valued.

As noted in the discussion on how culture affects leadership in Chapter 3, cultural groups indeed vary in their normative view of effective leadership - a concept explained within implicit leadership theories (GLOBE 2004). Thus culture impacts on implementation since it influences the relationship between leader and follower(s).

The impact of culture on implementation will be discussed under the following broad headings:

- Leadership as a culturally contingent phenomenon: the need for regional involvement and cultural intelligence
- Boundary scanning skills: different understandings of power relationships and relationship management

### **6.3.1 Leadership as a culturally contingent phenomenon: The need for regional involvement and cultural intelligence**

In line with previous findings, respondents agreed that leadership is a culturally contingent phenomenon, and that the successful translation or transfer of LCMs depends on its



acceptance within the respective national culture. This difference is explained by the impact of national culture on norms and values, as identified in the second and third level of the Schein model (2004), and the inner circle of the Hofstede model (2001). In some cases, contingent behaviours may violate cultural values, as a C1 leader recounted: “In Asia it’s the hierarchy that counts, in Germany, it’s not the hierarchy, it’s the skills. There are also different attitudes concerning women and gender.”

 C1 / L13

Numerous culturally contingent behaviours and competencies were cited as problematic when transferred across regions. High uncertainty avoidance, for example - “know the rules and stick to them” (LCM1) - was seen as challenging in countries where rules and regulations are less valued. In this way, Mendenhall and Osland (2002), in their review of empirical and non-empirical global leadership literature, describe the need for leaders to appreciate diversity, manage uncertainty and span power distance boundaries through shared leadership, teambuilding, and behavioural flexibility.

When questioned about the impact of culture on model implementation, the leaders expressed the need to filter and translate communications in a multinational environment. As stated, the success of the messages in the LCMs is reliant on the cultural literacy of the leaders. This echoes the ‘mindful communication’ that Osland et al. (2006) include as one of the two key interpersonal competences of global leadership.


“There is a need to filter, to translate and focus messages in multinational way - what is so and so in media a message in Germany is very different from the same media message in for example USA or Malaysia.”

 C1 / L12


“You need a degree of judgement and common sense to get the balance between local and the global, it’s like a children’s see-saw.”

 C1 / L15

Leaders from all three MNCs believed the models were likely to be interpreted in different ways, and this exacerbated the need for cultural literacy in implementing, and translating, the model. National culture was seen to impact greatly on the interpretation of the behaviours in the LCMs. One C4 leader was quick to assert that “People from different cultural background read these behaviours differently, understand them differently and implement them differently”

 C1 / L4

“A problem of interpretation” was cited by another C1 leader, along with the need for “translation and explication of the model ”

 C1 / L4

A central theme in the secondary literature - and validated by this investigation - is that differing cultural values and beliefs preclude a common understanding and interpretation of LCMs among leaders (Emiliani 2003). The ability of the LCMs to create a globally relevant leadership prototype based on established competencies “implicitly assumes that leaders accept the competencies and indicators as being the correct ones for either themselves or the business. For many this will be valid, while for some it will not be valid because they possess different beliefs” (Emiliani 2003 p896).

Leader emphasis on cultural difference and contingency was inevitably combined with a demand for greater regional involvement, from conception through to implementation. Figure 42 shows that leaders from all three companies discussed involving the regions in the creation and implementation of LCMs, with C1 being most animated on this topic.

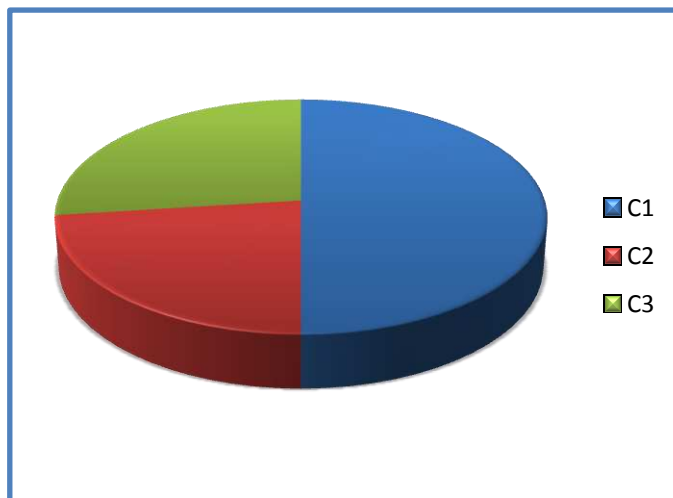



Fig. 42 Involving the Regions

In line with the GLOBE project proposition to create regional leadership prototypes (GLOBE 2004), there was general consensus that behaviours associated with universal corporate values need to reflect regional variables.


“The model is important for common understanding, but it is important to allow different interpretations of different cultures to allow for a cultural spectrum of possibilities.”

 C1 / S3

“... it must be interpreted and tailored to different cultures.”

 C1 / S5

“A model has to vary when it comes to the implementation side.”

 C1 / L1

Leaders argued that regional prototypes were especially relevant when applying the model in cultures where leadership exhibited few Anglo or US cultural traits. According to a respondent from C1, “particularly in leadership in Asia you have a different concept of hierarchies and the accepted leadership style is different”

 C1 / L10

Demand for regional sub-models is thus an affect of the signifiacnt impact of culture on LCM implementation.

Cultural intelligence: real and presumed

Presumed cultural intelligence in the models caused leaders to demand better intercultural training and boundary scanning skills, again because model implementation would be impeded without proactively addressing the impact of culture. “The model presumes cultural literacy of those using it. Leaders need to be aware of cultural differences.”

 C1 / L10

Leadership experience was again a defining variable in this analysis. The greater the respondents’ exposure to diverse multinational environments, the more fervent they were in highlighting a lack of cultural intelligence as an impediment to LCM implementation. Figure 43 shows the content coded to the theme cultural intelligence cross-tabulated with years of experience. Most of all coded content derives from leaders with over 10 years of service in their respective corporation.

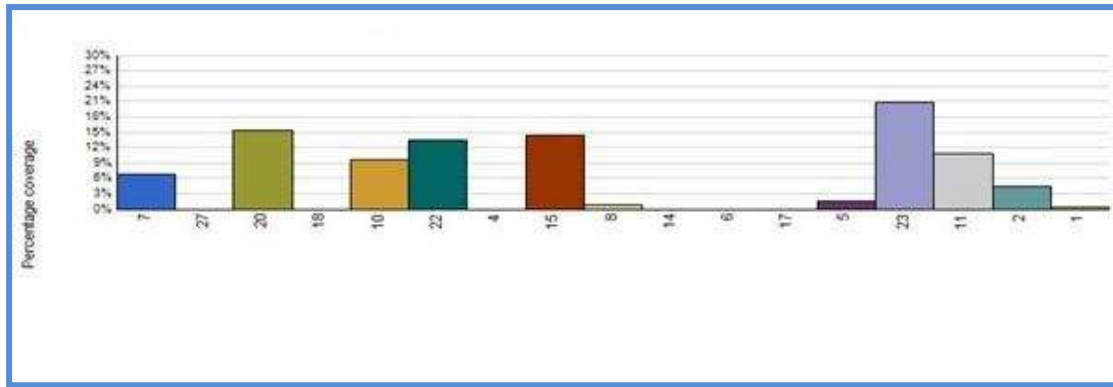



Fig. 43 Cultural Intelligence Coded by Years in Corporation

Experienced leaders also argued that cultural differences could be reconciled over time. “The behaviours are quite difficult to implement. The longer you work with a global team the easier it gets ... [it’s been] four years now and we have achieved a mid way level in understanding ... In the beginning there were a lot of clashes ... a level of comfort with different cultures, approaches and styles make it [the implementation] a lot easier.”

 C1 / L1


Hosmer (1996) presents a five-stage development programme for leaders operating in an international environment. Stage 1 is directed at the novice who may not be able to decode the international environment or foresee potential issues. At this stage the novice leader relies on organisational codes and guidelines that should be prescribed in universal LCMs. At stage 2, the advanced leader draws on experience which produces understanding that exceeds prescriptive guidelines. At stage 3 - the competent manager stage - leaders are in a position to recognise the complexity of business situations and leverage the knowledge of local environments. At the next level, stage 4, the international manager is able to read the situation intuitively, and frame an ethical approach to international business based on knowledge and the local values. The expert leader- at stage 5, relies on holistic recognition and intuition rather than frameworks and models. Expert leaders frame and reframe strategies and change cues that others will not perceive or read. Such leader experience is subtle, experiential and not easily transmittable, however such tacit knowledge, or cultural intelligence, was viewed as fundamental to the efficacy of LCM implementation in a multinational environment (Hosmer 1996).

But if the demand for cultural intelligence illustrated the strong impact of culture on implementation, it was feared that such competencies were too often presumed, and not adequately developed in the current LCMs.

“Being open to and respectful of other cultures is mentioned but it is not enough. It should be clearer, it needs more emphasis ... Tolerance, respect and openness should be systematically trained and developed. ”

 C2 / L5

“the behaviours are not explicit enough and there is not enough support.”

 C1/ L9

“Cross-cultural competence has to be part of or integrated in a company’s culture, it’s not a separate thing for me.”


 C3 / L3

### **6.3.2 Boundary spanning skills: Different understandings of power relationships and relationship management**

As discussed by Osland et al. (2006) in their review of extant empirical research on global leadership, global business is fraught with complexity and leaders need “boundary scanning abilities” akin to the geocentric situational and relational leadership attributes discussed throughout the findings – open-minded and flexible, culturally sensitive, appreciative of diversity (Black, Morrison and Gregersen 1999, McCall and Hollenbeck 2002, Goldsmith et al. 2003) – if they are to effectively implement universal behaviours.

“Boundarylessness”, a term first employed by General Electric CEO Jack Welch in 1989, requires that leaders understand how attitudes to business leadership hierarchies, for instance, are fundamentally different across cultures: thus, regional differences in power distance, humane and performance orientation need to be taken into account if a relationally effective, universal model is to be deployed. In order to understand expectations about power distance and hierarchies in regional contexts, and thus how such prescribed LCM values will be perceived across regions, multinational leadership experience was again considered indispensable to implementation success.

“... you should understand the cultures at play; gender, education, religion.”

 C1 / L9

Beechler et al. (2004b) identified boundary-spanning skills as a prerequisite for global leadership, implying that such cross-cultural acumen will best facilitate LCM implementation. Thus, the effective global leader can gather and communicate appropriately relevant

information to units and individuals located within the organisations boundaries, and then represent the firm appropriately to external stakeholders, gaining influence over the external environment. Such spanning is dependent on cultural intelligence, and the ability to deal appropriately with the societal structures and values including their different understanding of power relations (Beechler et al. 2004b).

One C1 leader was therefore committed to “finding a balance ‘to be neither cosy nor hostile’” when “facing a wide range of personalities, cultural behaviours, communication and expectations. One (or the organisation) has to recognise the difficulties for upcoming leaders to work and coach in different cultures”

 C1 / L12

Consistent calls to develop such boundary scanning competencies were both a tacit, and overt, acknowledgment of the impact of culture of LCM implementation. Experienced leaders especially cited fundamental boundary scanning abilities such as relationship building, communication, empathy, networking, coaching and motivating as fundamental to reconciling the impact of culture on model implementation. Leaders were adamant that national culture impacts greatly on leader, and follower, perceptions of ideal leadership prototypes.

#### **6.4 Chapter summary**

Although about half of respondents found their respective LCM easy or relatively easy to implement, few were unequivocal on this point, highlighting specific aspects of the model that aided implementation – shared values, personal communication, importance of managing/motivating people – while noting that performance orientated behaviours were more difficult to execute. Furthermore, such implementation would further depend on a leader’s cross-cultural intelligence, including experience dealing with ambiguity and complexity in a multinational environment.

Factors cited as impeding model implementation included poor communication of the model, generic wording, ethnocentrism, universal behaviours, presumption of cultural intelligence, and the gap between theory and practice. Leaders believed that significant communication barriers could be alleviated though greater input from HR in terms of training and translation of meaning across regions.

Presumed cultural literacy, and a lack of prescribed, culturally sensitive communication, was ever-present in the minds of leaders charged with implementing LCM competencies and behaviours across regions.

Based on this implementation experience, the leaders, in the findings regarding the impact of culture on model implementation, were quick to highlight the very significant cultural barriers to effective implementation of any universal competencies in a multinational organisation.

These barriers relate to culture on multiple levels: the personal values and cultural bias of the leaders; the national culture of the parent company; and the cultures of myriad stakeholders in multinational organisations.

By negotiating the cultural contingencies surrounding key value dimensions such as humane orientation, power distance and personal accountability, leaders hoped to employ what some scholars have called boundary spanning skills in an effort to ease model implementation and achieve organisational synergies in diverse contexts.

In this light, the following chapter questions the efficacy of a universal model. Though it is widely acknowledged that organisations can become truly globalised when leaders have the competencies to effectively promote cross-cultural synergies, should this be achieved via LCMs as currently constructed?

## **CHAPTER 7**

### **Data analysis: A universal model: Arguments for and against**

#### **7.1 Introduction to chapter**

Having analysed the findings regarding ease of implementation of the three LCMs, and the near unanimous view that the models, as currently constructed, lack the requisite culturally contingent competencies and behaviours to be deployed effectively in a multinational context, this chapter will ask whether universal models, in any form, are a worthy means for facilitating global leadership. Can LCMs help leaders drive the effective internationalisation of global businesses? Can such models effectively promote cross-cultural synergies in multinational corporations? If not, why not? Which factors then are fundamental to the successful application of a universal model across regions?

#### **7.2 Is a universal leadership model practical?**

In category 6 of the semi-structured interviews, leaders were asked to discuss the advisability, efficacy and practicality of deploying a universal LCM in a multinational environment. The question posed was:

“Does it make sense to have a universal competency model across regions?”

Participants were clear in their support for an instrument to define core leadership competencies and create synergies in MNCs. Leaders from across the three MNCs agreed that core universal values underpinned by specified competencies should be common across regions regardless of cultural diversity. The level of support is set out in Figure 44, in overall terms, and in Figure 45, by company.



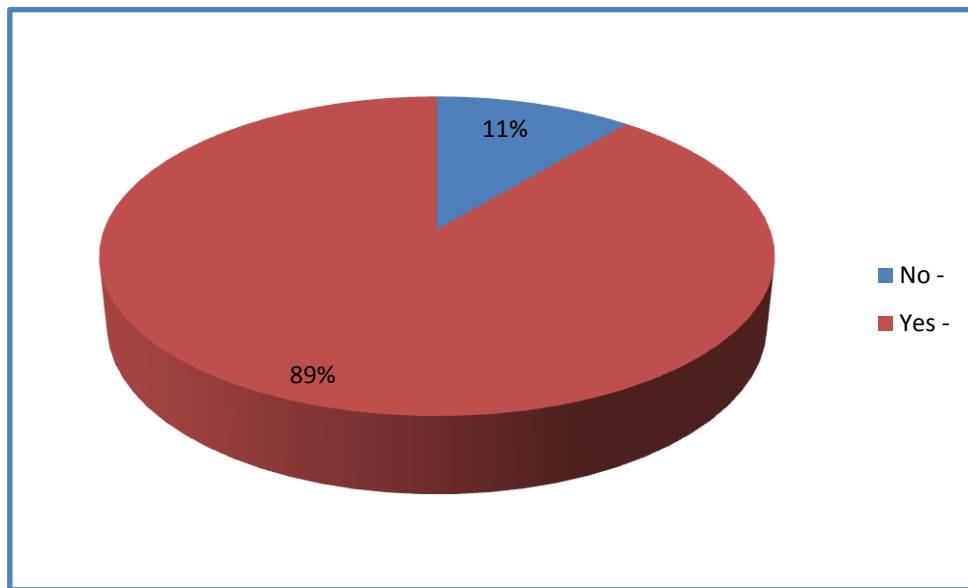


Fig. 44 Leaders in Favour of a Universal LCM

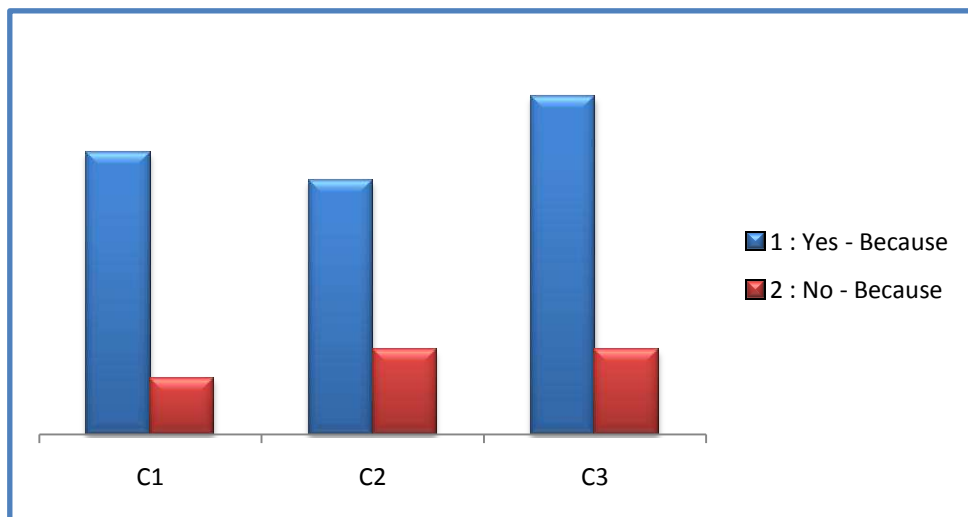


Fig. 45 Leaders in Favour of a Universal LCM by Company

Figure 45 shows that support for a universal model was relatively even across all three corporations.

The slightly higher level of support in C3 might be attributed to the pervasiveness of a universal ‘systems thinking’ culture in the organisation. As discussed in Chapter 4, C3 ardently implemented its “plan to win strategy” across a vast global network, meaning leaders and employees were highly aware of, and aligned to, such a universal strategy. This systems thinking is further aided by a particular HR culture of ‘leadership branding’ (Intagliata, Ulrich and Smallwood 2000), which links leadership attributes to the overall, results-driven business brand, irrespective of regional differences.

C1 exhibited a similarly high level of identification with a universal model due to its established 'matrix' operational approach – in 1994, C1 moved from a decentralised, location-based model to a focused, business sector-based organisational structure. Leaders well-versed, therefore, in creating synergies across business units and global regions gave relatively high level support to a universal model: again, support was greater among more experienced leaders who understood the benefits of uniting high level behaviours around organisational objectives.

As discussed, LCM1 was introduced in 2004 as part of a major change programme heralding a new era of group thinking, and the end of the 'silo' thinking (where leaders/individuals work in isolated 'silos' and are incapable of partnership and collaboration) blamed for poor organisational performance. Leaders in the study who saw the organisation fall from one to three in terms of market share were very aware of the strategic benefit that standardisation and joint purpose had given competitors; thus, it could be argued, they could not forego the potential strategic advantage of universal group behaviours.

That said, these leaders neither wanted to compromise regional involvement or flexibility, and strong leader agreement on the efficacy of a universal model came with a caveat: that leadership is culturally contingent, and that the effective translation or transfer of a global competency framework depends on its acceptance across diverse, complex regional contexts. Accordingly, the high level of in-principle support given to the model concept was not unequivocal, and leaders across all three organisations argued that universal models with a heavy performance orientation needed to allow for greater cultural flexibility. When the relative level of unequivocal and equivocal support for each of the three LCMs is graphed, a different picture thus emerges.

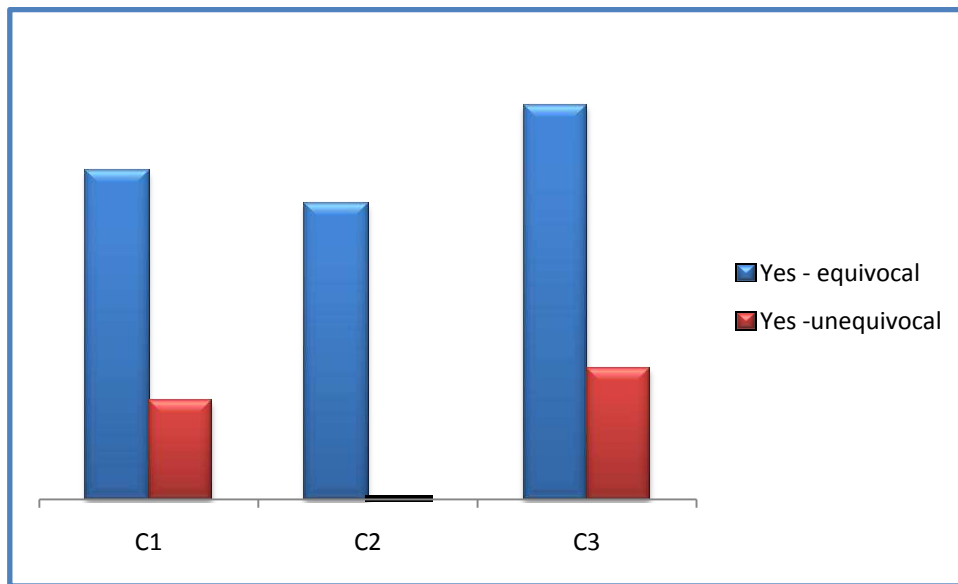


Fig. 46 Relative Level of Unequivocal and Equivocal Support among Respondents in Favour of Universal LCM


Only a small number (8 of the 38) of leaders gave unequivocal support to the adoption of a universal LCM. The majority of leaders across all three corporations thus qualified their embrace of a universal model with prerequisites for successful implementation.

As Figure 46 indicates, support for a universal LCM by the leaders in C2 was at no time given unequivocally. Unlike in C1, C2 has a distinct lack of leadership branding, and leaders were less convinced by a universal strategy, instead identifying the emic nature of their model. Again, these findings reflect the context in which the LCM2 was introduced. As described in Chapter 4, the change programme that inspired LCM2 struggled to align implicit, ethnocentric cultural values with newly prescribed standards that often contradict such value dimensions (i.e. the shift from high to moderate uncertainty avoidance to achieve new performance orientated goals clashed with the inherent risk aversion and moderate change agility in Germanic culture, and with a still pervasive technocratic culture). Thus a sentiment expressed by leaders from C2 was that the model was overly prescriptive. “I would try to bring the model to C2 HQ and C2 international in a shortened form. 40 points is way too many. 5 points prioritised is better.”

 C2 / L5

Such dilemma reconciliation was evident across the three organisations, and explains why support for creating synergy around common corporate objectives was offset by a belief that the LCMs, as currently prescribed, lack the necessary relational, situational and humane orientation for leading in a multinational context. As one C1 leader commented:

A model is important for common understanding, but it is important to allow different interpretations of different cultures ... to allow a cultural spectrum of possibilities. A global enterprise must have a common model but diversity and inclusiveness regarding the spectrum of different cultures must be taken into consideration. A regional consideration of the model is necessary to be regionally successful ... The benefit must be communicated with examples and defined clearly.

 C1 / L3

Another leader from C3 argued, “Yes we need a universal model because we operate in a global world; but it needs to be more diverse.”

 C3/ L1

On the basis of responses from the 38 leaders, the key finding in category 6 is a belief in the efficacy of a universal LCM, but with certain modifications or prerequisites to make models adaptable across regions. This finding will be further examined under two headings:

- Yes – there should be a universal model
- No – there should not be a universal model

### **7.3 Yes – there should be a universal model**

The nearly 90% of leaders who believed there should be a universal model cited several reasons to support this perspective as set out in Figure 47:

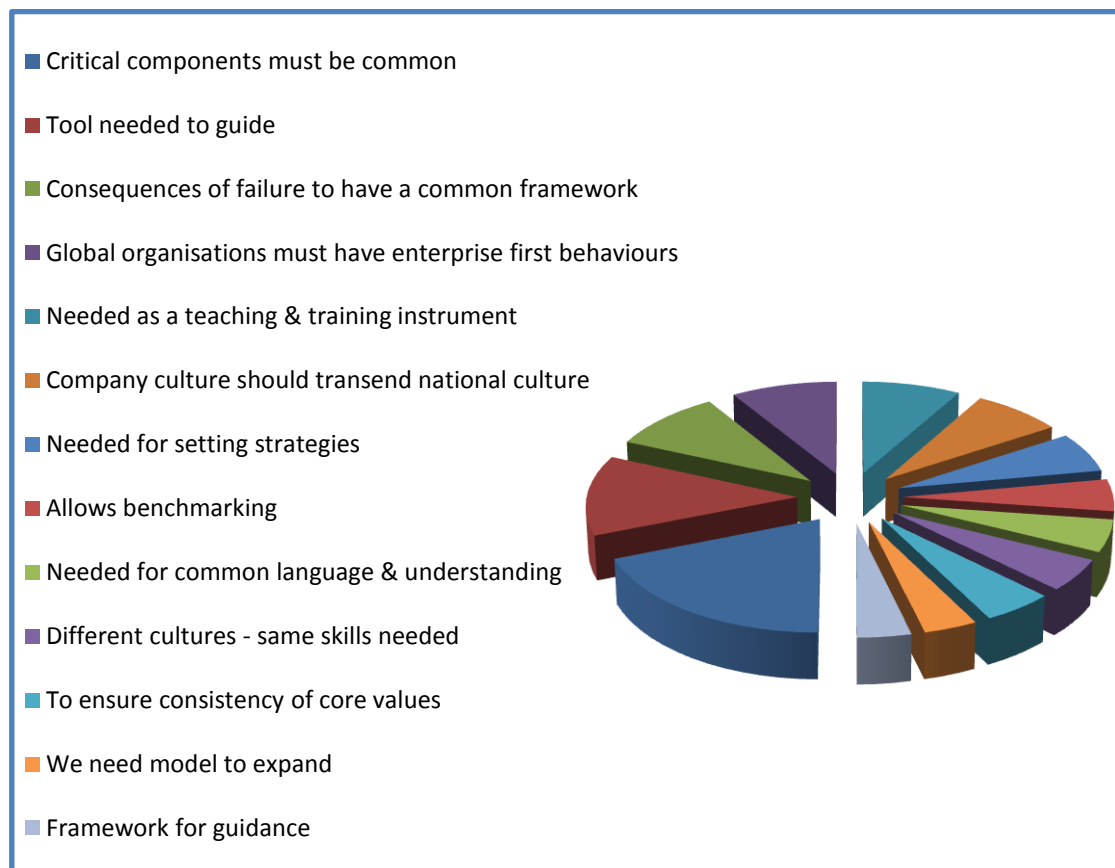


Fig. 47 Reasons Cited in Favour of a Universal LCM

The principal factors favouring a universal LCM cited by leaders can be clustered under two main headings:

1. Critical components should be common across the MNC
  - Consistency of core values and business model
  - Different cultures but the same core leadership competences are needed
2. Tool needed to guide
  - Facilitates global strategy
  - Acts as a guidance framework
  - Can be used as a teaching and training Instrument
  - Allows benchmarking

The leaders commonly favoured universal LCMs as a means to create synergies in global organisations, stating that a clear and compelling articulation of the corporate vision, and consistency in strategic direction, will foster a higher level of transnational agreement and business success. Bartlett and Ghoshal confirm this view as a fundamental part of HR strategy in MNCs. “At its most effective, a carefully crafted and well-articulated corporate vision

could become a beacon of strategic direction and ... An anchor of organizational stability” (Bartlett and Ghoshal 1989 p176). Leaders agreed on the need to balance local needs with “one face” and a “similar set of values”.

“It’s important to have one business culture frame with values. There are different country cultures, local relevance, but it is important to have one face to the customer. Somewhere within or beneath the model there can be local relevance. To create high loyalty you have to have a frame.”

 C3/ L13

“To reflect corporate culture and similar set of values.”

 C2 / L10

### 7.3.1 Critical components should be common across MNCs

“Does it make sense to have a universal LCM? Absolutely, because independent of national culture you need a corporate company culture.”

 C1 / L6

The notion that a LCM can help foster a “common language” within global businesses that have a “need for common orientation” (C2 / L6) was consistently expressed throughout the findings.

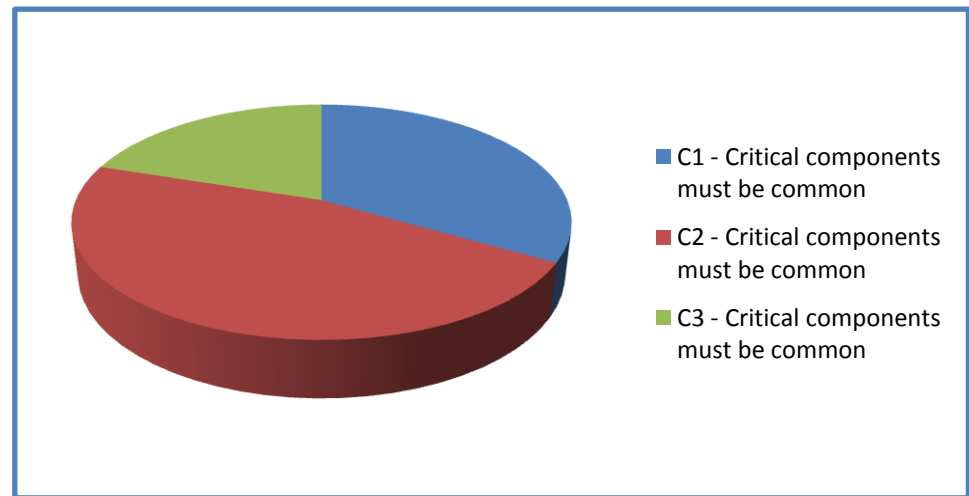


Fig. 48 Leaders’ Views on Commonality across Three Corporations

Figure 48 weighs the frequency with which leaders expressed a desire for greater commonality of purpose, with C2 leaders most likely to express these views. Implicit in this view was the need to align corporate culture, vision, goals and strategies, business values, core leadership competencies, language and understanding across multinational environments.


### **7.3.2 Consistency of core values and business model**

Leaders across the MNCs believed that universal LCMs could help develop core, globally applicable corporate values, and help nurture cultural synergies across a diffuse business network.

“It is steering the organisation globally; establishing a global culture with basic principles on how we work together.”

 C1 / L10

“It creates synergy; a universal model drives behaviours and behaviours will drive the business.”

 C1 / L8

“I think every company, especially multinational companies, need have to have a big picture which everyone will agree on ... in your daily business you need more help than just the headline. This is something like how you live it in different countries.”

 C3 / L9


However, finding synergies and a common language through leadership competencies is inherently complex in a multinational environment since cultural difference remains a barrier to the implementation of universal behaviours and values (Brewster 1999, Emiliani 2003, Brownell 2006). Before we elaborate on these complexities, which core competencies did leaders believe were essential to facilitating the corporate ‘big picture’ across regions?

### **7.3.3 Different cultures - the same core leadership competences needed**

“A large part of the leadership qualities are actually the same in whatever environment.”

 C1 / L10

“Absolutely, it’s very reasonable to define such a model. There is a need for common language, a need for common orientation. A universal competence model applies to the overall concept.”

 C2 / L6

Having agreed that core competency behaviours should be shared and enacted across cultures, the leaders then cited a number of relevant essential competencies aligning with those described in Chapter 5: the ability to translate the vision across regions; cultural sensitivity and intelligence; communication skills; situational leadership skills; interpersonal skills, including relational skills; and the ability to motivate. As the following model shows, these five core competence areas are echoed in empirical studies on global leadership competences (Osland et al. 2006).



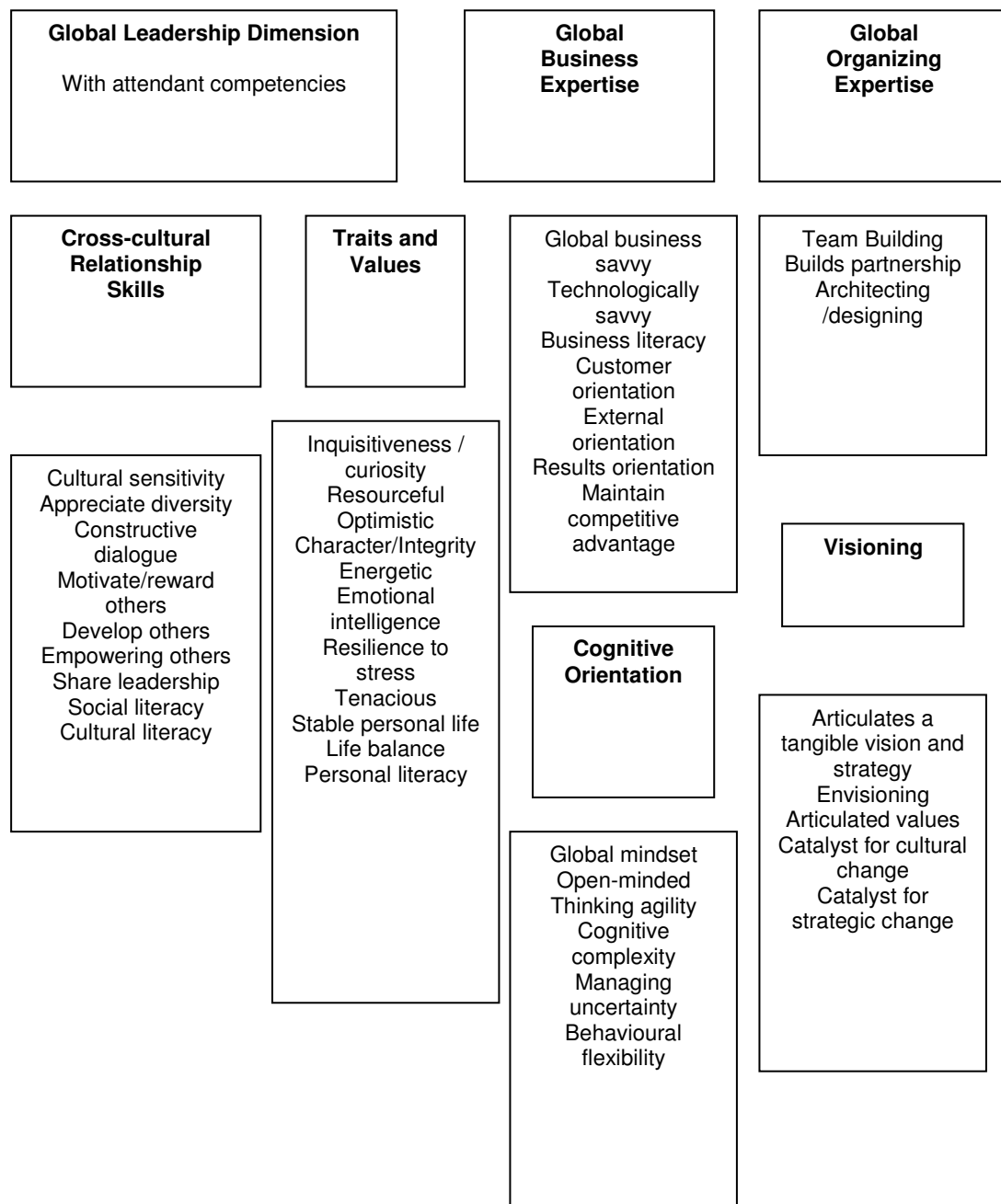


Fig. 49 Categorisation of Core Leadership Competencies in Empirical Research

(Source: Categorization of Global Leadership Competencies in the Empirical Research (Osland et al. 2006 p209)

The findings thus overlap with extant empirical research on global leadership competencies that identify motivational, communication, situational leadership, and the ability to deal effectively with ambiguity, as fundamental to engendering a unified global leadership vision (Yeung and Ready 1995, Rosen et al. 2000, Goldsmith et al. 2003, McCall and Hollenbeck 2002, Kets de Vries, Vignaud and Florent-Treacy 2004). The common goal is to combine a

unified global leadership regime with cultural diversity and agency. Regional sub-models were consistently cited as the best means to give voice to disparate regions while linking them through centrally prescribed competencies.

“Peripheral sub models should be allowed and should be taken into consideration, that means give room, and not just export egocentric model.”


 C2 / L8

#### **7.3.4 Tool needed to guide**

Participants believed a well designed, well communicated LCM would act as a guide for leaders and direct education and training programmes for HR managers. Silzer (2006) argues that competency models can be used as a teaching tool to help align leadership behaviours and language associated with the competencies throughout the whole organisation.

“Competencies are a language that provides a systematic framework for leadership development but is not a cure” (Silzer 2006 p332).

“A universal model gives a guideline ... so that we are all speaking the same language.”

 C1 / L6


Adler and Bartholomew (1992) argue that most companies are not capable of implementing global strategies due to a paucity of global competence among leaders. When asked about the efficacy of global LCMs, leaders consistently agreed that leadership culture lacks the transnational mindset to deploy a universal model.

“If we want to become more of a global company we do need a certain amount of alignment in terms of leadership. We are globally present, but we are still very much areas of the world, we do not move. We are a global brand but not a global company.”

 C3 / L2


#### **7.3.5 Facilitates global strategy**

“... a universal model creates synergy; a universal model drives behaviours and behaviours will drive the business.”

 C1 / S8

Leaders consistently argued that universal LCMs can facilitate the deployment of global strategies and help effect synergies; therefore, the absence of a universal LCM would result in a strategic deficit, meaning there would be no framework to underpin organisational

philosophy and translate corporate identity. This would deny MNCs strategic coherence, explained one C1 leader. “If you accept that that model is unusual or discredited or is it both, then the question is, what actually is the glue that binds the organisation together and the people within it.”

 C1 / L8

### **7.3.6 Acts as a guidance framework**

As stated, the value of a universal LCM as a guidance framework defining behaviours to support the organisation’s global goals and strategies was broadly accepted; however the need for a heightened level of adherence to these behaviours by leaders was also commonly avowed.

“Regarding leadership behaviours, a model defines behaviours ... Often leaders don’t have soft skills or social responsibility skills at all but this is very key for a leader and it is covered by the model, but some people just don’t have it at all!”

 C1 / L12

“This model is great in its simplicity. But there is not a big drive at the moment to bring it to life. Leadership development programs are not encouraging bringing it to life. There is an assumption of cultural literacy and knowledge, but that is a huge assumption, as only a few people have the awareness and know-how.”


 C1 / L9

Leaders in all corporations reported that due attention is not paid by senior executives and line managers to the LCMs. As stated, performance management processes and LCMs are owned more by HR than by the organisations’ line managers (Boyatzis 1982, Intagliata, Ulrich and Smallwood 2000, Hollenbeck, McCall and Silzer 2006, Whitford and Coetsee 2006). The business leaders and senior executives who need to role model the behaviours often remain removed from HR initiatives.

“In HR the behaviours are lived differently than in business. The benefit must be communicated with examples and defined clearly.”

 C1 / L3

“What will make this successful is having leaders who are able to act as role models in these behaviours.”

 C3 / L7

“... for leaders to walk the talk - living what they preach.”


 C2 / L11

Thus universal models were embraced as a potential, and important, leader guideline; however this function was taken up more by HR than middle management leaders who had lost touch with the models and no longer ‘lived’ them as intended.

### **7.3.7 Can be used as a teaching and training instrument**

One C1 respondent typically argued a need for more formal HR processes such as training support to better facilitate the implementation of LCMs in a multinational environment.

“There should be two types of training; leadership trainings for nationals and leadership trainings for international leaders.”

 C1 / L2

Scholars have cited competency-based leadership development as a means for creating company-specific expertise and improving organisational performance (Linkage 1997, Lucia and Lepsinger 1999, Brownell 2006, Silzer 2006). In this way, leader responses stressed the importance of aligning performance management and training and development initiatives to the LCMs to ensure that the defined competencies are consistent, visible, and lived throughout the organisation. Regional leaders also need to be proactive in this process: “... we need the participation of people around the world who contribute creating, assessing and doing training on the big picture...”


 C3 / L2

Intensive training, translation and interpretation across regions will also help facilitate regional variation in the execution of the behaviours. As some C1 and C3 respondents noted, regional variation must off-set universality:

“It makes sense to have a universal model from a teaching point of view, for leadership strategy creation ... but for leadership strategy execution it doesn’t make sense. An example of how this wouldn’t work would be if Coca Cola was to be led by an aggressive American in China.”

 C1 / S1

“You need a universal model because leaders move from country to country. People are so different in different countries so you need to take this into account. Key columns stay but you need flexibility in rolling them out.”

 C1 / S13

“As a framework with some sort of local flavour. Having a model with annual calibration of teams, it helps us calibrate with most of our team members who are outside US. Everyone is talking around the same framework, but with local relevance ... yes, so that we talk the same language.”


 C3 / L12

Participants viewed regional teaching and training of core competencies in an LCM as an opportunity to create a uniform way of delivering core shared values across multiple cultures, and for all cultures within the group to have direct input into such shared values.

### **7.3.8 Allows benchmarking**

Leaders believed that, if properly defined, the competencies in the LCMs can be measured, enabling the organisations to evaluate the extent to which their leaders are demonstrating behaviours believed to be critical for success.

“From a teaching and strategic point of view a universal model allows comparability and benchmarking.”

 C1 / L1


“Yes it makes sense ... from a talent management perspective.”

 C3 / L2

One C3 leader described how LCMs can create “alignment”, inferring that it becomes a tool for measurement, comparison, and thus intercultural flexibility, as roles can be easily translated across regions.

I think if we want to truly become long-term a global company, we do need a certain amount of alignment to make us just more aware what leadership means for the company in general and how that translates into the different parts of the world and also make us more inter-changeable, just more flexible in having people move from

one part of the world to another or in a word, so that's a more of a global approach, so that we also have the benefits of all those learnings in the different parts of the world"

 C3 / L3


However, the idea that a universal LCM model be used for benchmarking, and be embedded in talent management, rarely featured in the business leaders' responses across all three corporations.

"I don't believe in management feedback - I don't think this is a very efficient way."


 C2 / L11

By contrast, HR leaders in all three corporations unanimously endorsed the notion that the purpose of competence architecture is to quantify leadership success.


"You do easier [with competency models] in HR language, in business units is more of a challenge ... the challenge is translation and ensuring common understanding."

 C3 / L2 / Business leader

"We need integration in performance management and feedback on behaviours."

 C3 / L2 / HR

"The model should be part of many personnel instruments. It must be emphasised in communication. It must be lived: It must be alive (integrated) with further development and improvement."

 C2 / L6 / HR

HR leaders, even in C2, where business leaders tended to eschew, in relative terms, a universal framework, clearly stated that a universal LCM was fundamental to achieving commonality of purpose and shared business values. "It is very reasonable to define such a model. There is a need for common language and common orientation and the competence model applies to the overall concept."


 C2 / L6 / HR

Figure 50 shows the HR community responses concerning importance of universal LCMs, commonality of purpose, and shared business values, across companies and across nationalities.

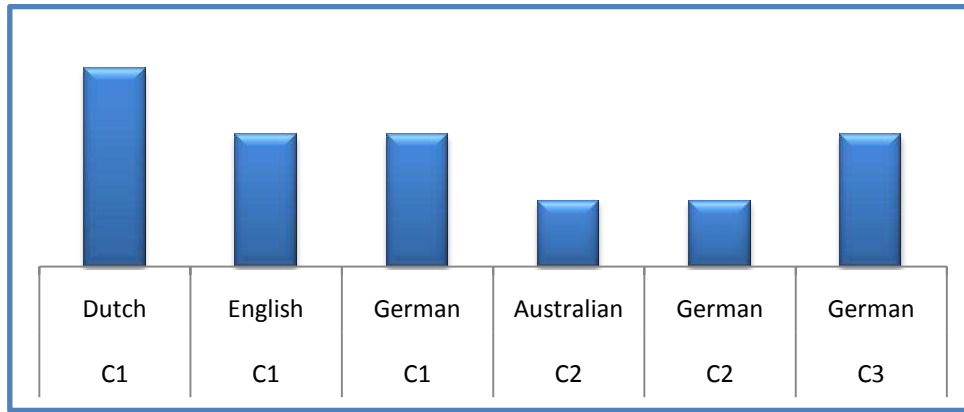


Fig. 50 HR Responses Concerning Importance of Universal LCMs

The chart follows the trend among business leaders, showing a strong faith in universal LCMs among HR leaders in C1 and C3, but a lower embrace by HR leaders in C2 - though the latter supported the model, as noted above, there was some fall-out since, most likely, some leaders echoed wider C2 leader concern regarding the value dilemmas in the model.

As competency-based leadership models are used to establish qualifications and improve leadership effectiveness in relation to future business challenges (Emiliani 2003), HR practitioners have, as noted, embraced such models as a tool to identify, teach and assess leader excellence (Stuart and Lindsay 1997, Flood and Flood 2000, Hayes, Rose-Quirie and Allinson 2000). However, others have argued, including Brownell (2006), that ‘distinct’ leadership competencies encompassing skills that can best be gained in the field and are not generalisable in a universal model. This point was not raised by any HR leader in this study, but was referred to by business leaders across all three corporations, particularly in C1 and C2.

#### **7.4 No – there should not be a universal model**

A small minority of leaders (4 of 38, 3 C1 and 1 C2) rejected the concept of a universal LCM outright. However, though the sample was small, the reasons for such a rejection highlights issues regarding ease of implementation, lack of cross-cultural contingency and presumed cultural literacy that were elaborated in previous findings. Thus, though such a rejection was minimal, it will be instructive to explore in some depth the reasons leaders gave for not having a model.

The concerns articulated can be grouped under the following headings: differing leadership styles; too difficult to implement; lack of identification with model.


### 7.4.1 Differing leadership styles

A small number of leaders believed that the differing leadership styles across cultures could not be accommodated in a universal LCM, due mainly to the ethnocentric nature of the models - these leaders were therefore categorically against a universal model irrespective of its design and level of detail in behavioural terms. Though a small sample, these views reflect a wider concern about cross-cultural contingency, and the general failure of monolithic LCMs as currently conceived.

“I cannot imagine that a global organisation has just one model, I cannot even imagine it for Europe. I see so much diversity. People are managed locally, in local markets.”

 C3 / L8

Again, some leaders argued against a model that promulgates detailed emic or ethnocentric behaviours, and does not account for regional differences. Thus, according to one C1 leader, a universal model is important “... yes from a strategic point of view ... no from an implementation point of view ... this is where leaders must match the cultural needs of the region.”

 C1 / L1

According to McCall and Hollenbeck, the reliance on competency models “has promulgated a flawed model of leaders and leadership that fails to recognize either the uniqueness or the complexity of executive jobs” (2006 p5). In enacting human resources management policies across countries, the importance of global integration and local responsiveness are paramount; opponents of universal approaches thus argue that it is not possible, or rational, to lead in the same way in different circumstances (Hamal and Prahalad 1985, Ashkenas et al. 1995, Yip 1995).

LCMs are a good general guide, a “starting point” as one leader stated, but leaders then must be allowed to lead in context specific ways. “As an overall guidance it makes sense if it is limited in its actual statements; core values, core drivers. It is a starting point so you know where you go from.”

 C2 / L7



### 7.4.2 Too difficult to implement

As detailed in Chapter 6, the three LCMs under investigation were often viewed as difficult to implement, a factor causing some leaders to entirely reject the concept of a single model. One leader argued that a model is only effective as a generic framework, whereas the detail comes independently from the regions.

It is important to define company's values and the way you want to work together [but] I am a bit reluctant to say that it's possible to have one leadership model. It only makes sense if it is really something that could be implemented everywhere; then it needs to be generic, and then it's more a framework than a model. A framework would be good and then each region should come up with their leadership mode. The universal framework needs to be adapted and adjusted.

 C3 / L6

Another leader from C2 put it more simply. “A universal model is a framework for corporate identity philosophy. But peripheral sub models should be allowed and should be taken into consideration; that means give room, and do not just export egocentric model.”

 C2 / L8

However the LCMs, as currently formulated, could not be easily implemented since they were deterministic, and contained no instrument for regional implementation of context-specific behaviours.

### 7.4.3 Lack of identification with model

The competencies espoused by leaders in Chapter 5 clearly indicated the low level of relevance of the LCMs to the leaders, which caused some leaders to devalue the models. Moreover, some leaders again stressed the gap between theory and practice, questioning the credibility of a LCM in which listed behaviours did not reflect daily business realities. This gap can again be attributed to the central role of ‘ivory tower’ HR in designing LCMs without the requisite hands-on understanding of global business functions. One C2 leader put it simply: “For me not possible to identify with!”

 C2 / L3

C2 leaders typically failed to identify with what was regarded as an alienating, top-down, highly ‘Germanic’ LCM removed from multinational realities. “I don’t live it...I have no commitment to it.”

 C2 / L3

Such lack of identification echo criticisms of LCMs in scholarly debate: that is, attributes and behaviours are generic and not linked to business results (Intagliata, Ulrich and Smallwood 2000); are prescriptive and emic in nature (Morrison 2000, Emiliani 2003); or devoid of rationale and defying logic (Hollenbeck, McCall and Silzer 2006). These arguments recur throughout the findings: LCM1 was seen to be too abstract and lacking explicit guidance for leaders; LCM2 was too prescriptive, cumbersome in its detail, and devoid of relational and situational competencies; the behaviours in LCM3 were viewed as emic (US centric) and the model, in part, was seen as less credible due to dissonance between behaviours practised and espoused behaviours.

Leader statements regarding a lack of identification with their relevant LCM was again based on a perceived inability to 'live' the model in reality. But the incongruence between LCM values and personal leadership values did not cause respondents to dismiss the concept of a model outright.

### **7.5 Summary: Is a universal leadership model practical?**

Leaders from each MNC participating in the study generally agreed that core universal values underpinned by specified competencies should be common across regions regardless of cultural diversity. However, while a significant majority of participants supported the concept of a universal competency model, most were equivocal in their support.

It was argued that competency behaviours should be regionalised according to the needs of the local culture. Participants also believed a well-designed and communicated competency model would act as a guide for leaders, and could be utilised by HR in direct education and training programmes. An onus was put on HR to formulate training procedures to directly support the implementation of LCMs.

In the absence of such a universal model, it was argued that the translation of corporate identity and values would be compromised. Models were viewed as opportunities to create a uniform way of delivering core shared values across multiple cultures, and to have direct input into such shared values by all cultures within the group.

A small minority of leaders did not believe in the efficacy of a universal LCM in any form. Like leaders who gave equivocal support to the idea of a model, these respondents described difficulties such as contrasting leadership styles across regions, non-ease of implementation,

and an individual lack identify with the model, believing such problems outweighed the potential benefits of a LCM.

## 7.6 Critical success factors which support the transfer of a universal LCM

Assuming that a universal LCM was to be deployed across all regions of a multinational organisation, leaders were then asked to outline the critical success factors they believed are fundamental to LCM effectiveness in a cross-cultural environment.

Leaders across the three MNCs were vocal when citing critical success factors for effectively implementing a universal LCM. Table 26 shows the key factors articulated by leaders when clustered under six critical success factors (CSF), while Figure 51 shows the critical success factors weighted by the frequency with which they were raised and coded.

Critical Success Factors (CSF) Clusters	
CSF1 - Design of LCM	CSF3 – Communication / Language in the LCM
Should be well designed	Should be clear
Should allow for benchmarking	Should be culturally sensitive
Should be designed with global input	Should allow for cross-cultural translation
Should balance global & regional needs	Should be sensitive in connotation of words
Should reflect diversity & inclusion	Should understand the potential for misinterpretation
Should be dynamic – ability to change and improve	CSF 4 - Situational Leadership in LCM
Should be educational	Should allow for flexibility of behaviours
Should create synergies	Leader should have local and cross-cultural appeal
Should not be too complicated	Should favour consensus in decision-making
Should focus on the basics	Should favour participative vs. centralised decision making
Should communicate the strategic vision	Should allow for diverse motivational instruments
Should include basic rules across all cultures	CSF5 – Cross-cultural sensitivity
Should be relevant to the individual	Should not assume cultural literacy
Should include a behavioural framework	Should balance local and global needs
Should be a guidance framework only	Should reflect diversity and inclusion mindset
Should value people	Should allow for adaptable leadership behaviours
CSF2 –Execution of LCM	Should promote culturally sensitive communication
Should have integrated performance management	CSF6 - Additional prerequisites for success
Should allow accurate monitoring	Should have management buy-in
Should have accompanying international leadership training	Leaders should have innate leadership qualities (nature vs. nurture)
Should be linked to HR training programmes	
Should be implemented through a global implementation team	
Should be lived	
Should be peer reviewed	

Table 26 Critical Success Factors for Execution of a Universal LCM



Fig. 51 Critical Success Factors

The critical success factors will be presented and discussed under the five following headings:

- Model should be well designed
- Communication should be clear and culturally relevant
- Model should be culturally sensitive
- Situational leadership should be espoused
- Model should be well executed

### 7.6.1 Model should be well designed

As stated in the arguments in favour of a universal model, leaders posited that LCMs need to be designed to incorporate diverse stakeholders, include specific, functional competencies, and should be benchmarked to ensure their consistent application. Regional inputs into design will, it was argued, best balance global and regional needs, reflect diversity, promote inclusiveness, and help the models become more dynamic and adaptable. In order to avoid ethnocentric and monolithic behaviours, it was argued that the model should include a behavioural framework that should only guide values, and not prescribe them. It was also noted that many of these design recommendations were not present in the three models analysed.

“This model is designed in head office for dealing with head office and not to deal with an international organisation.”

 C2 / L3

Proponents of LCMs argue that when well designed, the models leverage the experience and insights of business management through a summary of competencies deemed relevant to meeting business objectives. “The list is intentionally kept to a manageable size of about 10-20 competencies, so people will find it useful and not burdensome or too complex” (Silzer 2006 p402).

Leaders believed that many of the challenges faced in implementing their LCMs could be addressed by revising model design. Leaders further stated that a well designed model takes careful account of organisational needs, multicultural needs, and communication needs, does not presume cultural literacy, while HR training will also become critical to success. In short, good design was the most cited critical success factor for LCMs.

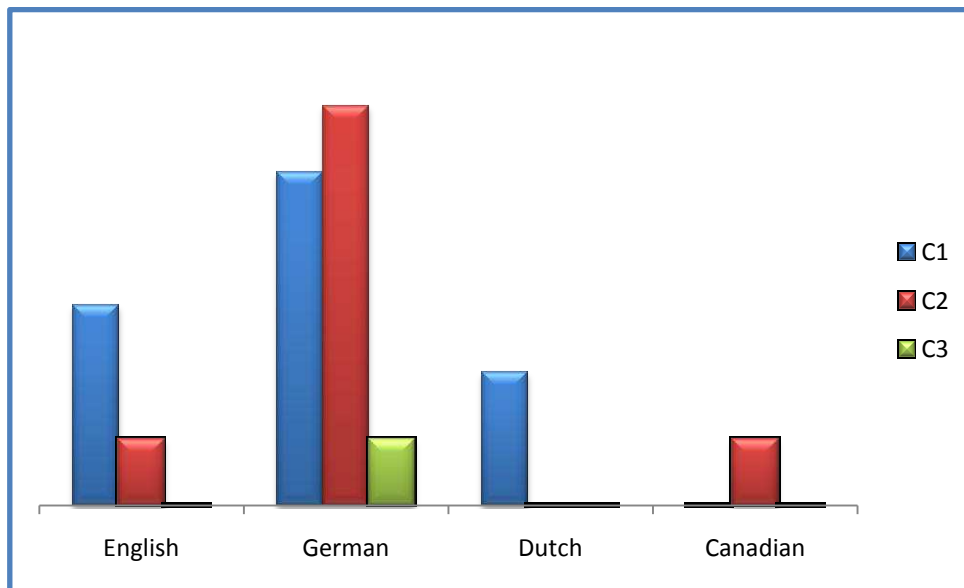



Fig. 52 Leader Criticism of Design across Companies and Nationalities

Again, most criticism of model design came from C2 leaders due to the value dilemmas that plagued the model's implementation. LCM2 design was criticised by nearly 90% of C2 respondents, with most citing technocratic style, low humane orientation, length, lack of business relevance, and a perceived dissonance between espoused and practised leadership (Emiliani 2003). C2 registered by far the highest level of leader inability to identify with the model (40%). By contrast, C3 leaders were again supportive of the brand congruence and embedded performance orientation that LCM3 lent across the organisation, while the rationale to the business section in LCM3 also raises its perceived validity. The design of LCM1 came mostly under criticism due to its failure to reflect non-Western concepts of leadership, and a failure to bridge the gap between theory and practice.


### 7.6.2 Communication should be clear and culturally relevant

It was argued that successful communication of universal competencies especially relates to the level of explication and length of the model – i.e. it should be educational, simple to understand, relevant to the individual business, and should include a behavioural framework as discussed in the section on ease of implementation. Poor or context-specific wording was cited as a barrier to the transfer of LCM2 in particular, with nearly half of C2 leaders feeling the model was difficult to implement due to idiosyncratic wording. By contrast, C1 leaders believed that the simplicity and brevity of LCM1 called forth the experience and cultural savvy of the leaders.

“It should be more explicit for guiding younger leaders. Implementation is dependent on personality, experiences and know-how of the leaders.”

 C1 / L9

Leaders in C3 also argued that explicit communication and guidance - specific examples, functional competencies, and cross-cultural guidelines - would support the transfer of the LCM across regions and across the businesses. According to one such leader, “a lot of the issues need more description, more examples, to be cross-culturally understood in the same way.”

 C3 / L1

In this way, leaders consistently stressed the need for clear, culturally sensitive communication that avoids the potential for misinterpretation. “The LCM must be emphasised in communication and it must be lived.”

 C2 / L6

There was a clear cross-corporate and transnational consensus among leaders that a poorly communicated, culturally inappropriate LCM, or a LCM that failed to define the importance of communication competence, would not meet the needs of the leaders in a global environment, nor by extension support the strategic goals of the organisation. Designing a mindful, strategic model that used clear, culturally relevant language - supported by appropriate integration with other HR processes such as training - was considered critical to success.

“My concern is that although the words are simple, people probably do not understand.”

 C2 / L4

As is often stated in the literature, the reliance on common understanding of intent is one of the most fundamental flaws in the design and execution of universal models in a multinational context (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006, Brownell 2006). This confirms the central thesis of this study; that national culture precludes a common understanding of leadership behaviours in LCMs. Leaders in this study were very articulate in expressing the very strong impact of national culture on understanding and communication in the models, factors that will be key when drafting a truly universal LCM.

### 7.6.3 Connotation of words and cross-cultural translation

Leaders from all three corporate entities cited language as a common component that should, if properly articulated, lead to common understandings assuming the writer is expert in the culture being addressed. Thus, the language used in LCMs needs to be specific to, and understandable within, each region if cross-cultural synergies are to be maintained. Figure 53 shows that all leaders from all three corporations cited “understanding meanings” as a critical common component that should be regionalised for clarity.

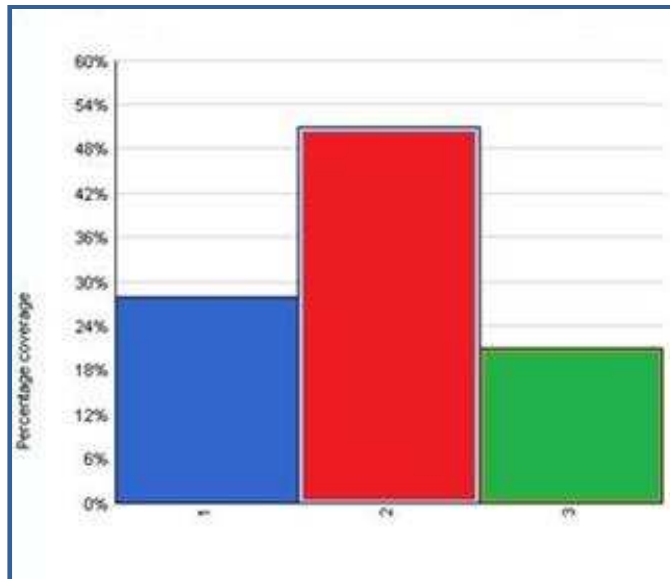



Fig. 53 Understanding Meanings

Many leaders referred to the wording and language in their LCMs as inappropriate, vague, context specific, short on guidance, and too open to interpretation. As discussed, the use of language in the LCMs reflects cultural bias. Thus, the language used in all three models typifies low-context communication with precise organisational aims (Den Hartog 2004) - reflecting the high assertiveness, individualism and performance orientation of the origin countries - that may be alienating in high-context communication cultures like Japan, for example.

Though the three models shared low-context attributes, the perceived level of required translation varied widely, with about half of C2 leaders (the highest number, as illustrated above), believing the model was difficult to implement due to wording deemed idiosyncratic to German culture. Contextually appropriate use of language and “words” were clearly identified by participants as a critical success factor.



“Connotations of words is lacking ... there is a need for professional translation that is translated as intended for different cultures.”

 C3 / L1

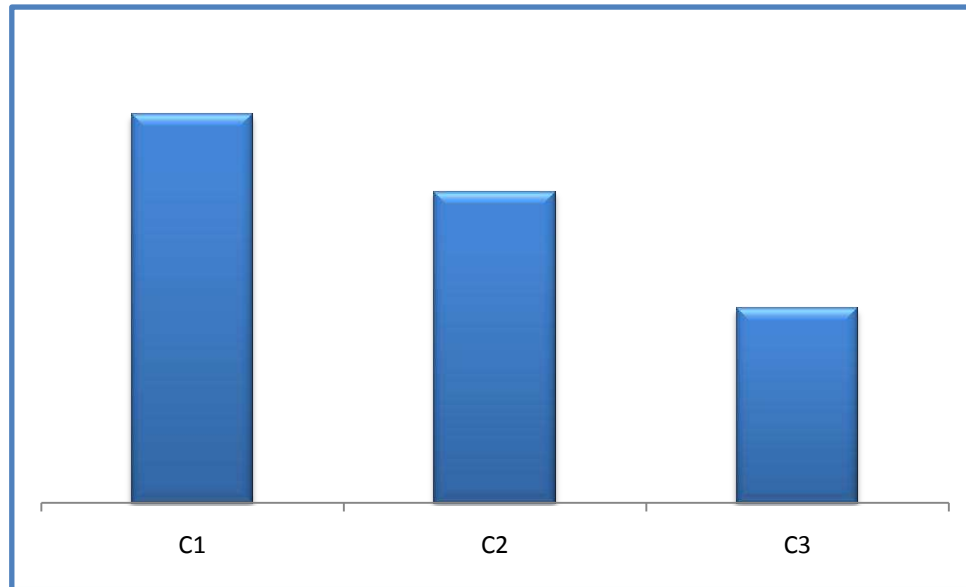


Fig. 54 Need for Professional Translation

Participants across all three corporations believed that cross-cultural translation was not just a critical success factor in designing and implementing LCMs in the literary sense, but in a more holistic cultural sense, and that this aspect requires cultural intelligence.

“[A success factor is the] ability to develop more granular language dependent on location and culture. Translation ... ”

 C2 / L4

“Get a true understanding of what is really meant, taking in account the cultural context. There’s a need to interpret and adapt, so that it works in an individual cultural context. We need cultural translation and cultural relevance.”

 C2 / L11


#### 7.6.4 Should balance global and regional needs

In their arguments favouring an individualised approach to leadership development, Intagliata et al.state:


If leadership competencies are to help an organisation achieve its desired business results and create distinctive leadership brand, they must be able to articulate the

more specific behaviors that a particular set of leaders, in a particular industry, in a particular organization, with a particular business strategy, and a particular history, culture and set of values need to demonstrate to succeed” (Intagliata, Ulrich and Smallwood 2000 p7).

Regional leaders have responsibilities and face challenges that are particular to their environment. Leaders thus demanded situational flexibility and creativity, and sought to define how far “the flex extends” concerning local autonomy. These leaders stressed the need for global organisations “to be clear about the non-negotiables”, and “to create synergies around the business model”, as one C1 respondent emphasised. This emerged from a concern that “the ability of the organisation to disassociate itself from ... the enterprise values or enterprise targets is still astonishingly high.”

 C1 / L8

“When you have a very strong company culture, some national culture factors may not be that reasonable any more. Some matures come to an organisation and have strong bias to the country culture. It makes it harder to get the C1 culture through to them.”

 C1 / L10

Leaders believed, therefore, that the key to an effective LCM was incorporating a subtle and ever-shifting balance between global and regional needs. Leaders in all three corporations expressed a near unanimous view that this could best be achieved via regional participation in the creation of the model as indicated in Figure 55.

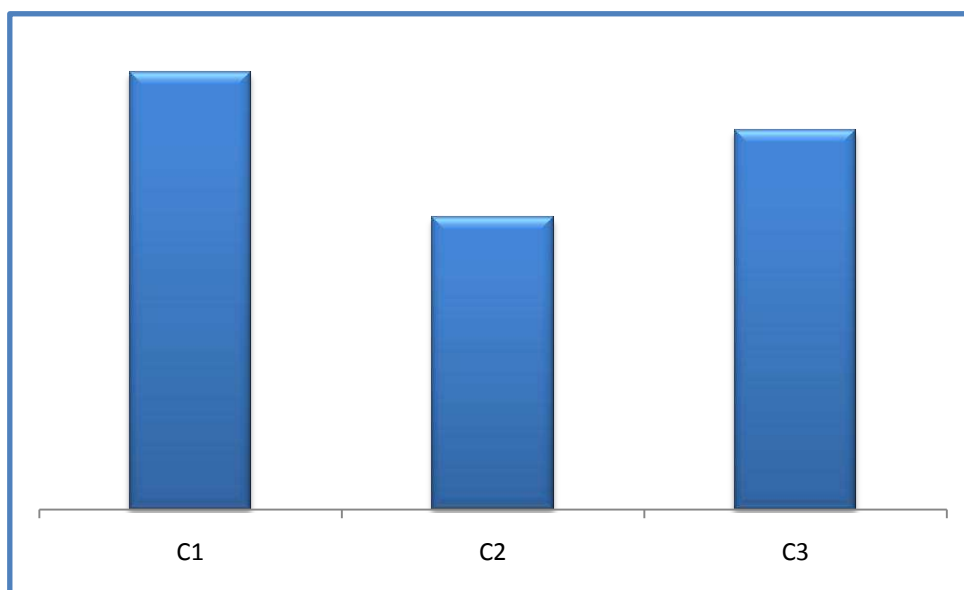




Fig. 55 Need for Regional Participation

“We need to have participation of people around the world who contribute creating, assessing and doing training on the picture. “

 C1 / L1

“Have input from the global partners, HR and business; representation of different cultures.”

 C2 / L1

According to Black, Morrison and Gregersen (1999), not all MNC activities or policies should be global, meaning the powerful tensions between globalisation and localisation needs to be balanced in LCMs. Leaders in the study were cognisant of these challenges but felt that the existing LCMs provided little guidance on how to deal with them.

### **7.6.5 Should not assume cultural literacy**

As stated throughout the findings, leaders across all three MNCs cited the presumption of cultural literacy as a significant design flaw in their respective models. Leaders repeatedly asked for guidance on specific behaviours for various regions and found their respective models wanting in this regard. As argued in Chapter 6, experienced leaders especially stressed this flaw, stating that their LCM, by failing to account for cultural diversity, or to give cultural guidance, forced leaders to rely on lived experience and innate cultural intelligence when adapting behaviours across regions. The presumption of cultural literacy, and the resulting lack of cross-cultural competence among leaders, has only exacerbated the problem of implementation and adoption of the models.

“... to be able to do this, you are assuming that the leader already knows what 'top talent' requires; you are assuming that they understand how to 'reward opportunities' in that cultural context ... you are assuming that the leader has the maturity or openness to understand the diversity needed in a multicultural element that I would say is critical.”

 C3 / L2

“... there could be more messaging around the multicultural piece ... if I were to just read this as being an American-based company without operations outside of the US, I'd say ok, this is very American orientated ... but if I step outside and take it from the Asian perspective, there could be a little bit more about the inclusivity around cultural context.”

 C3 / L2

### 7.6.6 Should emphasise cultural intelligence and be culturally sensitive

As a corollary of the need to be proactive regarding cultural literacy, many leaders criticised their models for failing to espouse diversity and inclusion. The findings show, for instance, that leaders' perceived a bias towards Western business values, and the corporation's home culture, in the LCMs.

“The culture of organisations is in most cases driven by the home country of the company. C1 is very much is driven by British and Dutch culture, with some American influence ... There is a need to recognise the importance of diversity ... without giving up your own identity.”

 C1 / L12

The respondents believed that the models did not allow leaders to learn, adjust, adapt and build cultural intelligence. According to Earley and Ang, cultural intelligence is “a person's capability to adapt to new cultural contexts” (2003 p59), and comprises cognitive knowledge (regions, people, cultural customs), motivation (genuine interest and curiosity in other people/cultures), and behavioural adaptability (capacity to interact in a range of situations/environments). Like a majority of leaders in this study, the authors argue that such intelligence is a major contributor to effective leadership in a multinational environment.

As discussed in Chapters 1 and 3, ethnocentricity – especially in terms of Western, or more particularly US, competence model design – promotes uniformity over cultural diversity. The leaders interviewed again backed this view.

“Culturally there are issues, where you just can't do it in the same way ... cultural diversity is helpful.”

 C2 / L10


“Giving room for cultural differences and accepting them. Other cultures should collaborate in setting up such a model.”

 C2 / L2

The quest to develop a truly global leadership model that incorporates cultural intelligence and sensitivity has been addressed by Chin, Gu and Tubbs (2001), and organisations such as 3M, who purport to have taken up the challenge of developing a Global Leadership Competency Model (GLC) (see Appendix Z) that contains a hierarchy of competency factors, and a developmental path of global leadership from the deficiency stage of ignorance to an ideal high level of competence – ‘adaptability’.

The respondents imply that leaders currently lack the requisite ‘global’ skills to operate in a multinational environment, and instead experience confusion and frustration. A lack of emphasis on cross-cultural intelligence – which was subordinated most often to the performance objectives of change programmes that gave rise to the models – meant leaders were not prepared for shifting cross-cultural contexts.

The model does reflect the abilities I need to lead in the area that I’m leading. The challenge is the multinational environment. The model is not sensitive enough from a multicultural point of view. It presents an Anglo-Saxon based take on leadership competencies that relies on the ability and sensitivity of the leader. The model presumes cultural sensitivity. It doesn’t give any guidance concerning multicultural aspects.

 C3 / L2

Such findings represent an ongoing dilemma for global leaders asked to implement uniform corporate goals and strategies among discursive stakeholders, on the one hand; and allow for diversity, cultural specificity and conflicting cultural ideals on the other. But as Adler argues:

to ignore cultural differences is unproductive ... Choosing not to see cultural diversity limits our ability to manage it – that is, to minimize the problems it causes while maximizing the advantages it allows ... When we blind ourselves to cultural diversity, foreigners become mere projections of ourselves (Adler 1991 p97).

Leaders suggested ways to overcome such “blind” ethnocentricity in the models: “Ensure that highest leadership-levels are multicultural, so that all cultures are represented. Coaching and training of leaders and their teams concerning cross-cultural competencies and skills.”

 C1 / L11


### **7.6.7 Situational leadership should be espoused**

Recognising that rankings and details have to be different depending on the culture. The parameter in leadership behaviour, communication or teamwork should be the same, but how you define these and to what extent, that should be different.

 C1 / L12


As stated, leaders across the three MNCs consistently stressed that context-specific, emic behaviours should not be contained in a universal LCM, but in complementary regional sub-models. While core values, and the core competencies that underpin those values, should to be universal, most agreed that leadership behaviours be regionalised from culture to culture. Put simply, managing people is a universal competency, however leader behaviours in Germany, the UK or the US may vary greatly when enacting, and interpreting, competencies.

“What we lack is to translate model to different cultures. Building a shared vision needs to be done differently across cultures.”

 C1 / L9

Thus leaders believed that including situational leadership competence and flexibility was a critical success factor for multinational organisations wishing to deploy universal LCMs.

... needs to be more diverse ... it needs to be educational ... because we are a global world .... all of these skills are needed multiculturally. We need to gather more global inputs on what are core values ... differences make it too hard to adapt when you are moving people and we are moving people all the time.”

 C3 / L1

Beechler also highlights the need to adapt leadership behaviours in response to context and relationship variables.

Due to the inherent complexities of global business, MNCs can no longer afford to operate within rigid, traditional organisational boundaries with delineation between employees, tasks, processes and places (Beechler et al. 2004b p123).

(It should be noted that such literature fails to account for the specific experience of implementing LCMs, and talks more generally of multinational leadership.)

The situational leadership competence referred to by leaders in this study has also been called boundary spanning skills (Williams 2002) and contextual management skills (Brewster 1999, Brewster 2005), as discussed in Chapter 6. Boundary scanning requires that leaders accept, and adapt, contrasting concepts of power relationships or humane orientation, for example, across cultures. Leaders then need to appreciate situational context, and be able to move seamlessly between diverse organisational cultures in an effort to facilitate a shared corporate vision.

### 7.6.8 Relational leadership

Also underlined by an ability to network across cultural boundaries, relational leadership was also emphasised when interviewees were questioned as to the critical success factors for the implementation of a universal LCM.

“It is very technocratic, not appreciating the individual employee. There is too little appreciation ... it is not possible to identify with ... Give people more room.”

 C2 / L5

A leader’s ability to engage in context-appropriate motivation with individuals across cultures, though instrumental to the success of an LCM, was, for many leaders, a notable absence in the extant models under investigation.

Emotionally connecting with people is based on the ability to establish close personal relationships ... Global leaders do this by demonstrating a sincere interest in and concern for others, a heightened ability to listen, and a deep capacity to understand different viewpoints (Black, Morrison and Geregersen 1999 p343).

Relational leadership competencies such as interest in people and empathy were, according to leaders, most notably absent from LCM2. 70% of C2 leaders believed that relational leadership, as a critical success factor in the multinational application of the model, was undervalued, and that the current technocratic model failed to reflect the human dimension.

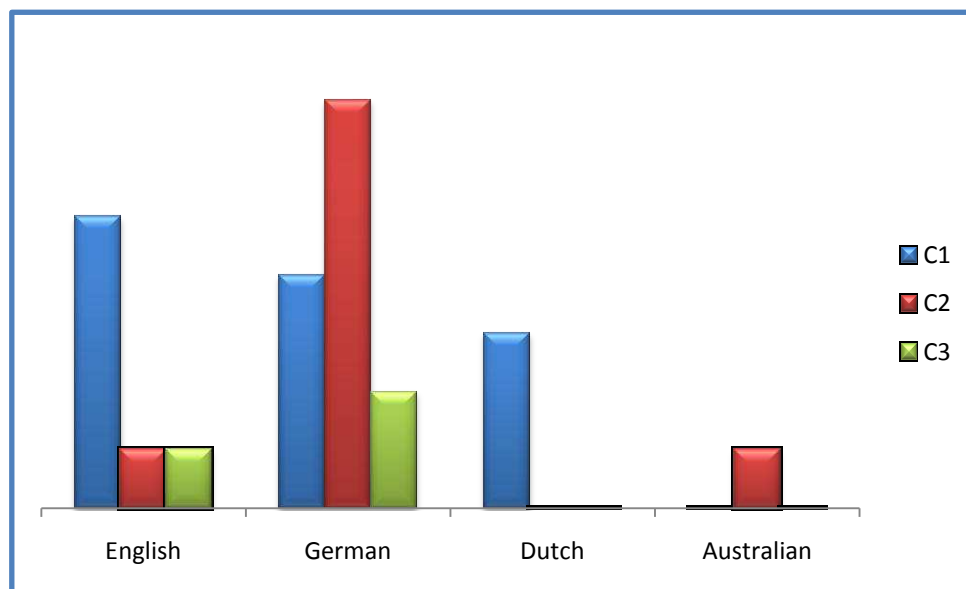


Fig. 56 Lack of Relational Aspect in LCMs by Company and Nationality

Respondents in C2, especially among their native German leaders, and to a lesser extent C1, expressed a view, also posited in the literature, that interpersonal skills and networks are vital because, as Beechler et al. note, they “serve as the glue that hold these vast geographically dispersed and internationally differentiated organisations together” (2004b p124).


“A universal model makes sense ... if people are the centre of attention.”

 C2 / L5

### **7.6.9 Model should be well executed**

In light of the challenges and difficulties experienced when trying to implement the three LCMs analysed in this study, leaders unanimously agreed that any future model should be better managed and executed via integrated performance management, accurate monitoring, peer review and so on. Leaders argued that any implementation of a global model should occur via a global implementation team, be supported with international leadership training, and be linked to HR training programmes. Such high level organisational integration and model “operationalisation” will, it was argued by leaders, ensure that the model is ‘lived’ as a fundamental part of leadership culture.

“To bring about this change we need to realise that the company is a big tanker, not a small speed boat ... In trying to reduce complexity ... standardisation does not allow creativity ... The big question is how to operationalise it?”

 C1 / L4

If the model has been developed in a manner that links competencies to the desired results of the business, and the LCM is clearly aligned to a strategic corporate culture change, the organisation needs, it was argued, to invest as much time and effort in execution as development. “It is not uncommon for organizations to invest more time and energy ... in developing competency models than they do in practically applying them” (Intagliata, Ulrich and Smallwood 2000 p8). Silzer similarly argues that poor execution is a major barrier to model success. “Clearly the way a HR system is implemented often has more impact on the system’s effectiveness than the underlying model” (Silzer 2006 p404).

Leaders also believed that a universal leadership approach in a multinational context is not realistic, or easily achievable, without cross-cultural training so that leaders can move seamlessly between cultures. Such training would give leaders access to resources that would minimise costly and time-consuming learning curves and optimise leadership effectiveness in any chosen cultural environment (Osland et al. 2006).




“... the leadership courses we have are very good, this is a very strong instrument, [but are] unfortunately not available for many people.”

 C1 / L11

The respondents also argued that international training programmes should be formally linked to LCMs so that engaging with cross-cultural education becomes a normal part of any leader’s personal development.

“Trainings/coaching on the whole topic ... important to involve HR and business of different regions.”

 C1 / L7

The need for further explication and training was unequivocally cited both within the LCM’s country of origin, and on a transnational basis.

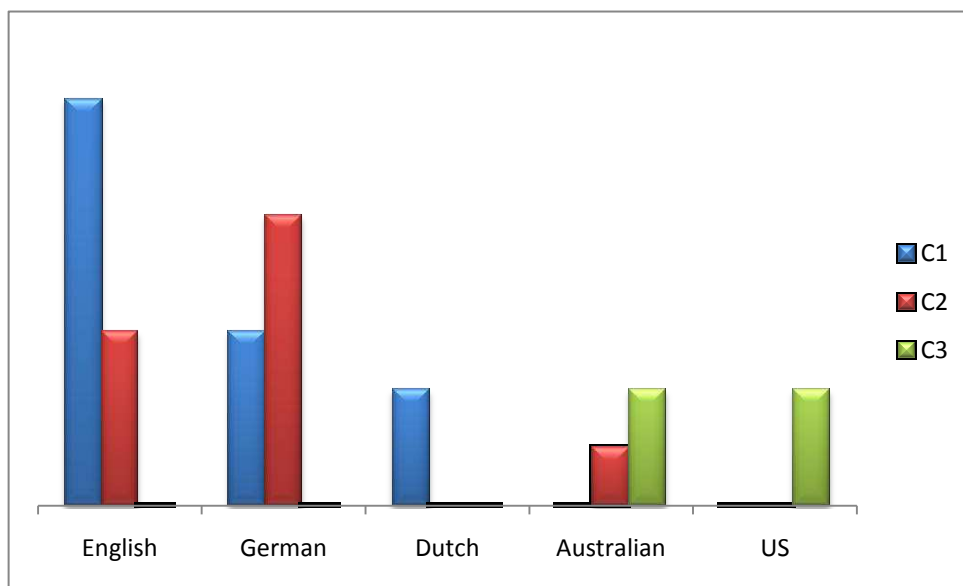



Fig. 57 Need for Training by Corporation and Nationality

C3 leaders typically stated the greatest satisfaction with existing training programmes since most have developed clarity around long-established business performance goals and an entrenched brand congruent culture. Furthermore, C3 invests heavily in training and yearly appraisals of employees. C1, which is internationally recognised as a ‘learning organisation’, was hyper aware of the need for training, and leaders tried to embrace “leadership courses” and the like as an antidote to cross-cultural contingency and complexity. C2, meanwhile, was


more attuned to reconciling competencies than training leaders for a model that has not been well received among managers.

When C1 and C3 did demand greater training during LCM implementation, they believed it requisite that HR, as the author and instigator of these universal frameworks, take responsibility for driving the training and implementation process across regions. As discussed, this was also a response to presumed cultural literacy in the models.

“HR is sometimes catching up, this has been driven through the countries.”

 C3 / L4

“HR now has to tell the leaders of people what they expect ... what they want us to do ... give examples ... we need training on that”

 C1 / L7

### **7.7 Summary: Critical success factors**

Consistent with the challenges cited in analysis of model implementation in Chapter 6, leaders cited several critical success factors they believed to be a prerequisite to the successful design and implementation of a LCM, including: model should be well designed; should balance global and regional needs; communication should be clear and culturally relevant; should not assume cultural literacy; connotation of words is paramount; model should be diverse and inclusive; should allow for cross-cultural translation; have the flexibility for diverse behaviours; leadership training should be international; and the model should be linked to HR training programmes.

These aligned with success factors described throughout the findings regarding the best means to promote skilled global leaders that can facilitate cross-cultural synergies in diffuse multinational contexts.

## 7.8 Chapter summary

A model is important for common understanding, but it is important to allow different interpretations of different cultures ... to allow a cultural spectrum of possibilities. A global enterprise must have a common model but diversity and inclusiveness regarding the spectrum of different cultures must be taken into consideration. A regional consideration of the model is necessary to be regionally successful ... The benefit must be communicated with examples and defined clearly.”

 C1 / L3

Throughout the findings regarding ease of implementation in Chapter 6, there was broad agreement among leaders that leadership is culturally contingent, and that the models, being overwhelmingly ethnocentric in design, were difficult to implement when diverse national cultures were at play. This was further borne out in the finding in Chapter 5, which showed the diverse, and vague, interpretation of competencies and behaviours by leaders across different cultures (i.e. leaders were more aligned on the basis of culture than corporation, and did not draw their cited competencies from the three LCMs but from their own experience, values and beliefs).

As a corollary, it was agreed that the effective translation or transfer of a global competency framework depends on regional inputs, and therefore, that the model incorporates diverse cultural ideas about leadership. This has been difficult across the three models analysed since, as has been shown, HR leaders responsible for such models are least likely to work in multicultural environments.

It has been the goal of this final findings chapter to explore whether it is practical to deploy a universal LCM when attempting to effect cross-cultural synergies across rapidly globalising MNCs. In light of the perceived inadequacies of the LCMs analysed in previous chapters, an overwhelming majority of leaders still believe that universal LCMs are fundamental to multinational leadership. Thus, while this study has shown the limitations of inchoate LCMs as presently prescribed, it also shows the high level of commitment to a universal model, and the future inevitably that truly cross-cultural LCMs will underpin successful leadership in rapidly globalising organisations.

But leaders were only willing to give equivocal support to the principle of a universal model, arguing especially that competency behaviours should be regionalised according to the needs

of the local culture; and that regionally specific language should also be used when writing the model to ensure common understandings across all regions.

Leaders in general argued that such a model has the potential to facilitate global strategy, act as a guidance framework, be useful as a teaching and training instrument, and allow benchmarking across the organisation. But again, leaders were also cautious about such promise, believing that leadership culture often lacks the global mindset to deploy a universal model.

Leader identification with the peculiar change programme through which their LCM was conceived also explained wavering attitudes to the concept of a universal model. Thus, C1 and C3 leaders were relatively comfortable with a long entrenched process of organisational, and cultural, change; by contrast, the relative newness of the C2 change programme made emerging value dilemmas harder to reconcile. Looking forward, such insights point to a long lead-time in the reconciliation of dilemmas that underpin universal LCM development and implementation.


Leaders were also asked to identify the factors critical to universal leadership model success. To ensure the reconciliation of cultural dilemmas, and the facilitation of a global mindset, the leaders unanimously argued that situational leadership/boundary scanning skills and cultural literacy were vital, that these could not be assumed, and that HR must, as a corollary, ensure adequate cross-cultural training when implementing the model.

## CHAPTER 8

### Conclusion

#### 8.1 Introduction to chapter

... be very clear about the non-negotiables ... and where there is a need to 'flex' in response to local cultural norms ... because ultimately, we are all struggling to find that balance between a global model and something which still recognises very profound differences between individual markets

 C1 / L8

This study has shown, via the opinions of 38 leaders in three MNCs, how the need to develop a global leadership model in internationalising organisations must acknowledge, as the above C1 leader stated, “local cultural norms” and some “very profound differences between individual markets.” The research has thus supported the hypothesis that national culture has a significant impact on the deployment of leadership competency models in MNCs; and has asserted the need to ensure that cultural flexibility is factored into the pursuit of group-wide corporate synergies.

While this study has shown the failure to address such cross-cultural and regional differences in the inchoate LCMs analysed, it has also revealed a high level of commitment to a universal model among the leaders sampled. The leaders thus iterated the need to establish required synergies around a shared vision and business model on a global scale. Common values and core leadership competencies in a universal LCM should support this endeavour, it was argued.

However, it was also shown that leaders, having agreed that national culture impacts greatly on the understanding and perceived relevance of the behaviours comprised in all three LCMs, were only willing to support the principle of a universal model, developed in HQ, if cultural literacy was not presumed, and if competency behaviours were regionalised according to the needs of the local culture. Today’s multinational leaders thus demand a portfolio of context-specific skills and geocentric situational leadership competencies and behaviours. In short, while leaders profess the inevitability that truly cross-cultural LCMs will underpin successful leadership in rapidly globalising organisations, they also acknowledge that there is much work to be done in ensuring that such competency architectures have the “flex” to accommodate cultural contingencies.

As discussed in the review of the secondary literature and primary research, the latter goal has, to some extent, been stymied by the ethnocentric, insular and performance orientated nature of established leadership theory and practice. This extends to more recent scholarship on cross-cultural leadership, which has tended to theorise leadership in mono-cultural clusters (GLOBE 2004). By contrast, this survey does not look at leaders working in different cultures in isolation, but simultaneously. It is thus concerned with the middle managers working across regions, and charged with actually implementing corporate goals via the maintenance of cross-cultural synergies.

Since the leaders sampled in this study understand firsthand the very pressing cross-cultural dynamics in multinational leadership, many such leaders rejected, or failed to identify with, LCMs that were overly ethnocentric in design, and that had not attempted to reconcile the inevitable cultural dilemmas and dissonance arising when such a model is rolled out globally. A lack of identification with LCMs was also linked to the way leaders experienced the specific change programme that first inspired such models – the lack of identification with LCM2, for example, can be attributed to the relative newness of a change programme that contained many competencies at odds with the national culture; these value dilemmas had not yet, therefore, been adequately reconciled.

When analysing the cultural biases of the three LCMs, the need for significant ‘dilemma reconciliation’ first highlighted the difficulty of creating a model that is both universal and culturally flexible: that is, a model that is specific, but also ambiguous enough to be relevant across regions. Thus, attempts to create a universal model in a multinational environment is inherently problematic: global leaders are asked to implement uniform corporate goals and strategies among discursive stakeholders, on the one hand; and allow for diversity, cultural specificity and conflicting cultural ideals on the other.

Based on the testimony of the leaders, it is believed that these dilemmas can be reconciled, and that LCMs should be an essential instrument through which multinational leaders can employ boundary spanning skills, and relational/situational sensitivity, to achieve organisational synergies.

Though researchers have long argued that leadership is culturally contingent, the hypothesis has never been tested on LCMs in globalised, multinational organisations. Thus, in testing the hypothesis via the testimony of 38 leaders entrusted with implementing LCMs in three MNCs, and contextualising these findings in relation to the existing secondary and primary

literature, this thesis has gone some way to making a unique contribution to emerging research on leadership competencies in MNCs. Moreover, the study has aimed to set the ground rules for the development of a universal LCM that is transferable across diverse cultural contexts.

## **8.2 Summary of chapters**

The introduction chapter outlined the rationale for the research, and showed how the research concept was prompted by the author's long-standing professional experience with LCMs and leadership development programmes. Chapter 1 outlined the rationale for the research and the methodology for testing the hypothesis. This included the decision to use a qualitative research method, including semi-structured interviews (conducted with all 38 leaders) and the NVivo qualitative data analysis software.

The literature review was presented in chapters 2 and 3 under the headings leadership and cross-cultural leadership. Chapter 2 explored the plethora of theories and research into leadership evolving from classical leadership theories, the trait approach, behavioural and style theories, relational leadership, contingency theories of leadership, situational leadership, and shared leadership. Having established the limits of these theories (especially the ongoing prevalence of trait-based and behavioural approaches), and the applicability of situational and shared leadership theories for multinational leadership, the thesis went on to explore cross-cultural leadership theories and research including the seminal work of Hall, Hofstede, Trompenaars, and the GLOBE research project, along with empirical studies into global leadership from Yeung and Ready, Gregersen, Black and Morrison, Hollenbeck and McCall and others. Additionally, theories and practices in the field of intercultural competence, based largely on the work of Brinkmann, Bennett, Deardroff and Irving, were explored. Current leadership challenges, ranging from cross-cultural virtual team leadership to change management programmes, were also debated. These studies were elaborated with a view to possible implications for the development of cross-culturally transferrable LCMs.

Chapter 4 analysed the three LCMs under investigation with a view to establishing the cultural contingency and universality of the comprised behaviours and competencies. This included context about the corporate, and national, culture of the relevant MNC, and background to the vast change programmes from which the LCMs emerged. Detailed analysis of implicit cultural assumptions contained in the models helped underpin the central hypothesis; that culture, both at the national/societal and organisational level, mediates both the design and implementation of LCMs.

Chapters 5, 6 and 7 presented and analysed the data and findings along the lines of the topic guide used in the semi-structured interviews. The seven categories analysed included: essential leadership competencies; ease of implementation; alignment with leaders' needs; impact of national culture; practicality of employing a universal model; and the critical success factors to support LCMs. This primary research was also contextualised in terms of the literature review, especially in regard to cross-cultural and global leadership.

In light of these findings regarding the cross-cultural transferability of three LCMs, this concluding chapter will attempt to summarise the research project, and look to the future building of a universal LCM that can accommodate the cultural dissonance described by the multinational leaders in the survey. The chapter is organised as follows:

- Present the accumulated findings of the thesis
- Develop the foundation for a universal LCM based on the findings
- Discuss the value of this research project in the context of the current body of research on global leadership and LCMs
- Draw attention to the shortcomings and limitations of this study
- Look forward to future research possibilities

### **8.3 Accumulated findings**

When leaders were asked to cite competencies deemed essential for leading in a multinational environment, the multitudinous responses (78 different competencies were identified) showed that such leaders did not draw competencies from their relevant LCM, but from their own experience and implicit societal-driven beliefs – this was exacerbated by the fact that the three LCMs focused primarily on standardised, and often alienating, performance orientated behaviours aligned to incumbent change programmes.

Nonetheless, it was possible to focus these responses into five core competence areas that reflected a very pressing need to allow for cultural contingency in LCM design.

Communication, cross-cultural, motivational and interpersonal, visionary and strategic, and geocentric situational and relational leadership competencies were the key focus of middle management leaders who were charged with implementing LCMs across diverse regions.

The 38 respondents cited competencies that reflect years of multinational leadership experience. The focus on geocentric relational and situational competencies indicates leader



awareness of the challenges of dealing with ambiguity, and the need to reconcile complex, diverse and often opposing leadership expectations across cultural boundaries. The need for boundary scanning skills, and the difficulties of attempting to extrapolate universal values and beliefs that are culturally contingent, was consistently emphasised by the leaders.

The need for flexibility in approach, and tolerance for ambiguity, precludes the unquestioned adaptation of universal rules and standards. Critics of traditional competency models have argued that the latter are often inadequate in complex international environments due to the high level of prescription and preset direction (Parry 1998, Athey and Orth 1999, Conger and Ready 2004). Leaders were cognisant of the need for a leadership culture that created alignment around organisational strategic goals, but that allowed flexibility in leadership approach. As one leader put it: “The challenge is to balance the extent of leadership flexibility and the need for absolute clarity around the business model and the values of the organisation”

 C1 / L8

The GLOBE project similarly anticipated the need for leadership flexibility, stating that globalisation will not precipitate a one-world managerial culture (Brodbeck et al. 2004). Other global leadership studies advise that global leaders need to navigate an increasingly complex and unpredictable environment (Chapel 1997, Black, Morrison and Gregeren 1999, Hernez-Broome and Hughes 2004).

The core global leadership competency areas defined by the multinational leaders in this study intersect with many of the competencies identified in empirical studies over the last 15 years (Osland et al. 2006 p209). Such suggested competencies were of course remiss in the three LCMs under investigation since, as these researchers have also noted, such models tend to promulgate emic competencies and behaviours that are too insular and culturally specific to be globally implemented (Morrison 2000, Emiliani 2003, Hollenbeck, McCall and Silzer 2006, Brownell 2006).


A primary goal of the thesis was to test whether the competencies/behaviours in the three LCMs could be commonly understood, or whether culture precluded any such unified understanding. The latter conclusion was borne out in the findings, which revealed very high levels of incongruence and low levels of agreement in both matched and unmatched cited competencies. Thus the leaders did not match behaviours to competencies in any uniform way, and agreement was relatively low. Where there was agreement, it was clearly demarcated along cultural rather than corporate lines. This lack of uniformity in interpretation

again highlights the strong impact of culture on leadership, and thus a failure to effectively implement the models for reasons, among others, of ethnocentrism, universalism, and assumptions of cultural literacy.

One of the strongest arguments against the deployment of standardised LCMs is that behaviours are culturally contingent, are regionally subjective, and any attempt to lead the same way in different circumstances is not possible, or rational. However, the leaders surveyed believed this dilemma could be reconciled if the models combine universal competencies with regional leadership profiles. Respondents thus repeatedly stated the need to elicit the support of the regions in adapting and localising behaviours across diverse, shifting contexts.

The GLOBE research project team initially addressed the need to take a polycentric approach to leadership competencies by defining nine specific leadership attributes prototypes (CLTs, or culturally endorsed leadership theories) to align with regional clusters (as stated, the GLOBE project is currently compiling further specific regional leadership prototypes). The findings indicate a similar need for a multifarious approach to leadership competency definitions in which regional sub-models with emic or context specific behaviours underpin LCM development and implementation (Emiliani 2003, Brownell 2006).

The primary findings indicate that there is, however, widespread support for universal LCMs (89%) as a means of creating synergies around organisational goals, and defining and developing fundamental common leadership competence. Leaders emphasised the benefits of universal competency architectures to guide leaders, facilitate global strategy, act as a teaching and training instrument, and allow benchmarking. It was argued that critical components should be common across the MNC, and there should be consistency of core values, even if there are different cultures in MNCs. It is essential, as one leader put it, for MNCs to decide whether they seek to operate “as a constellation of disconnected dots ... or as an organisation where there is a red thread that joins it all together.”


 C1 / L8.

Over half of the multinational leaders agreed that LCM implementation was eased when the model promoted one set of corporate values aligned to the strategic goals of the organisation. But though core competencies may be universal, leaders believed supporting behaviours should be culturally contingent. Specific emic behaviours such as “grasping initiatives with energy and drive” (LCM1) should be avoided, it was argued, since they are unlikely to

transfer easily across cultures. This view echoes the assertion of Hollenbeck et al. (2006) regarding the difficulty of espousing universal competencies in once single LCM:

Effective leaders come in all sizes and shapes with tapestries of strengths and weaknesses that they apply in complex combinations to get the work of the organization done. No one set, whether 15 or 20 or 180, includes all the potentially useful competencies and even if they did, no one person has them all (Hollenbeck, McCall and Silzer 2006 p399).

While a global leadership model – that incorporates regional differences - was regarded as fundamental, it was also argued that functional competency frameworks should support LCMs. Functional leadership competence models can compensate, it has been argued, for the lack of job-specific guidance in more general LCMs (Mansfield 1999). Organisations thus need to achieve a balance between generic models focusing on business leadership behaviours, and functional competency models that are particular to specific roles. According to one C3 leader: “The business competencies like in accounting and administration need to be more specific and detailed. In order to bring the competencies to life it is very important to give relevant and practical examples for different kind of functions and roles.”


 C3 / L7

The level of familiarity with systematic competence assessment among HR, and the comparable lack of familiarity of business leaders with the LCMs, brings into question the efficacy and applicability of LCMs designed in ivory towers. The findings indicate that HR leaders lacking daily experience in cross-cultural environments formulated LCMs for the narrow purpose of creating quantifiable benchmarks around a finite set of competencies.

Leaders stressed that HR need to become more involved in the implementation of the models, as has Brownell, who places HR professionals at the heart of global leadership development (Brownell 2006 p329). Leaders thus argued that it was requisite on HR to involve the regions in the design of regional models, and enlist the support of the business units in defining the core competencies so that leaders can ‘live’ the models in daily business.

Another key finding was the perceived gap between theory and practice in the LCMs as currently conceived – a point that also contributed to the perceived irrelevance of the model for 31 of 38 leaders. The secondary literature also targeted this gap as a key factor working against the efficacy of LCMs (Emiliani 2003, Brownell 2006, Hollenbeck et al. 2006). The perceived lack of business relevance in the LCMs emerged as a fundamental observation in the data analysis.

“... the theory on paper is absolutely right...but when it comes to the implementation of it, that's when reality bites”

 C1 / L1

The findings indicate that even when the competencies and behaviours were seen to match in theory, implementation remained a problem due to a lack of formal support in transferring the knowledge of requisite leadership competencies into the day-to-day business.

Leaders from all three corporations believed that the models presumed cultural literacy. The more experienced respondents surveyed, both from the HR and business community, argued that corporate synergies could not be attained without greater training and development of intercultural intelligence competencies such as boundary scanning skills. As highlighted in the literature review, this deficiency was also illustrated in a survey of global leadership among Fortune 500 firms.

Leaders believed that the low-context, unambiguous language style of the LCMs precludes their universal application in high-context, non-Western cultures. Since language is the currency through which LCMs are transacted globally, and in light of the challenges concerning interpretation and communication of the models, translating meaning was identified as crucial to transferring the models across regions. Leaders from each company agreed that the language used in writing universal instruments needs to be, when possible, culturally and linguistically specific to the region to ensure common understandings of corporate objectives across diverse multinational contexts.

#### **8.4 Toward a global LCM: A tandem approach**

Having investigated the transferability of three LCMs in a multinational environment, and the high level of commitment to a universal model among the leaders surveyed, including the critical success factors for the effective design and execution of such a model (Table 26), this study will, in concluding, put forward a framework for the development of a truly cross-cultural LCM. In order to meet the challenge of reconciling contingency and universality in leadership competence, it is advised that a tandem approach be taken to the design and execution of LCMs in a multinational environment.

A tandem approach will recognise the cultural contingency of leadership behaviours by providing a portfolio of both context-specific and universal competencies that together are required to build the required synergies around the corporate vision. The findings presented in

Chapter 7, illustrate that 89% of the respondents believe that, despite the inherent design and implementation challenges, a universal leadership competence model remains a valuable instrument in the definition and development of core leadership competencies. Figure 58 presents an attempt to visually organise the core competencies identified as being fundamental to global leadership. These core competence areas will be detailed in section 8.4.1.

The critical success factors (see Table 26) identified for the successful design and implementation of a universal LCM constitute a major finding of this dissertation, and are inherent in the application of the tandem approach. It is intended that such a dual approach to LCM development will result in:

- A well-designed model that recognises local-global realities based on HQ and regional input
- Cultural sensitivity and high level of acceptance in diverse regions
- A culturally sensitive communication style
- A greater balance between task and relational orientation in definition of competencies
- A greater balance between humane and performance orientation in definition of competencies
- A context-appropriate level of explication and specificity in definition of behaviours
- Clarity and alignment concerning the corporate vision and business model
- Alignment of disparate leadership behaviours to core values, strategic direction and business model to facilitate transnational performance and talent management
- An enhanced operationalisation and business relevance based on input from diverse business units/functions
- Heightened awareness of, and sensitivity to, geocentric relational and situational leadership
- Heightened awareness and utilisation of diversity
- Enhanced acceptance and understanding through professional translation

To offset the etic/emic dilemma, and incorporate greater ethnorelativism (Bennett 1986, 1993b) and cultural contingency when employing a universal model, the tandem approach (Figure 59) requires that MNCs supplement universal LCMs with regional leadership profiles or regional models. This approach enables fundamental leadership competencies to be defined at an etic level (Morrison 2000, Beechler et al. 2004b, Hollenbeck, McCall and Silzer 2006, Johnson et al. 2006, Klenke 2008, Avolio, Walumbwa, and Weber 2009), while context-

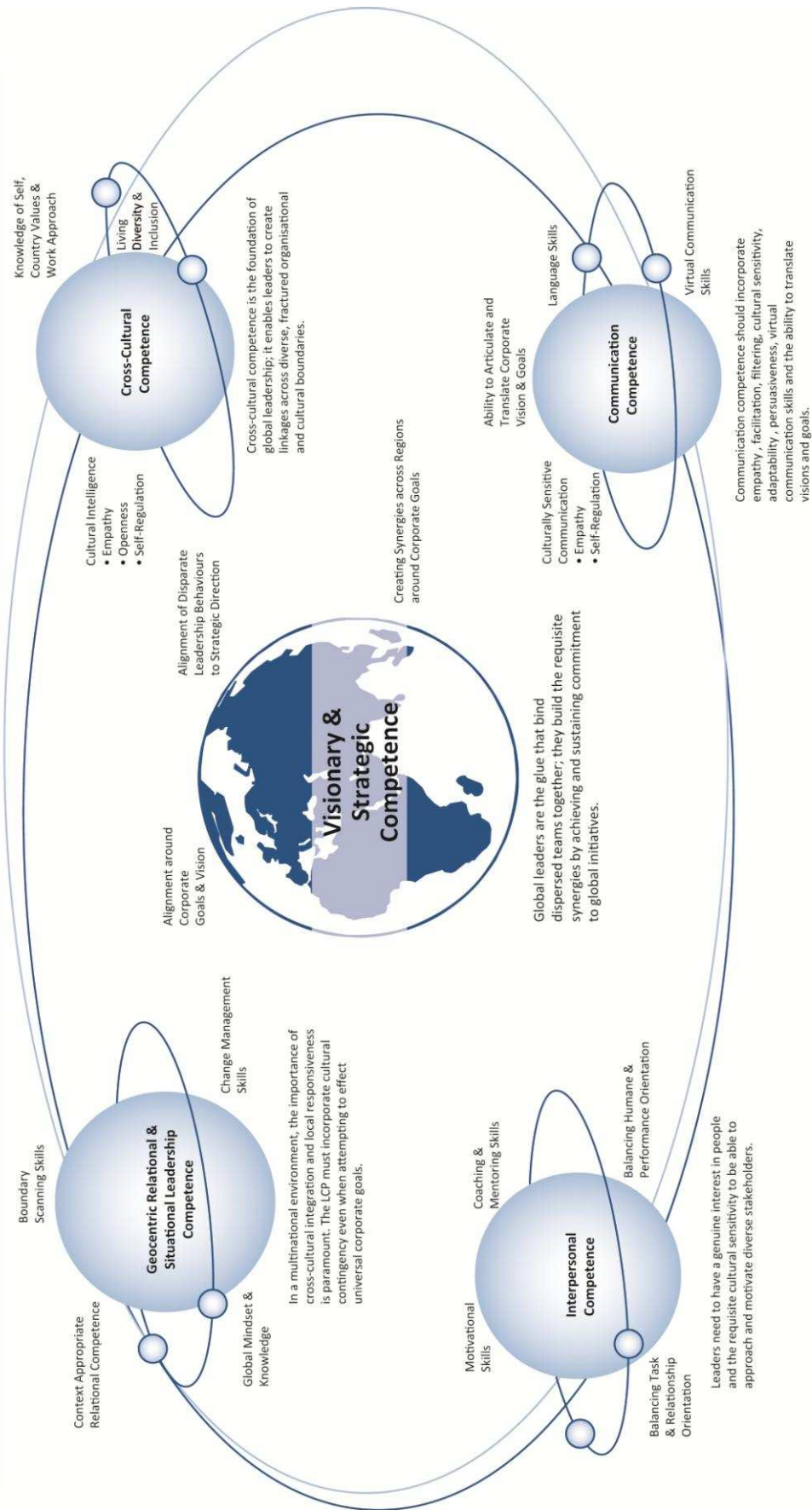
appropriate specificity can be concurrently incorporated at a more granular level (Intagliata, Ulrich and Smallwood 2000, Emiliani 2003, GLOBE 2004, Brownell 2006, Teodorescu 2006).

The tandem approach to leadership competence definition and development again aims to facilitate both global integration and local responsiveness. Although the ultimate purpose of universal and regional leadership competency models is the same – to develop leadership excellence - this cannot be achieved via an ethnocentric competence framework (Youn Chyung, Stepich and Cox 2006). As illustrated in Figure 59, universal models are designed to transport core organisational values, and create alignment and synergy in leadership behaviours, while regional models comprise distinct leadership competencies that reflect cultural particularities, thus inspiring a higher level of acceptance.

Figure 59 also recognises the need for organisations to utilise functional leadership competence frameworks to support universal and regional leadership models. Through the inclusion of functional competency frameworks in leadership development, organisations can augment generic leadership competence with explicit guidance concerning specific business areas (Mansfield 1996, Lucia and Lepsinger 1999, Youn Chyung, Stepich and Cox 2006).

## The Foundation of a Universal Leadership Competency Profile

A multinational corporation that aims to create synergy around a common vision and goals, and build commitment to such goals across vast organisational boundaries, needs to define the agreed competencies through which its leaders can achieve these aims.



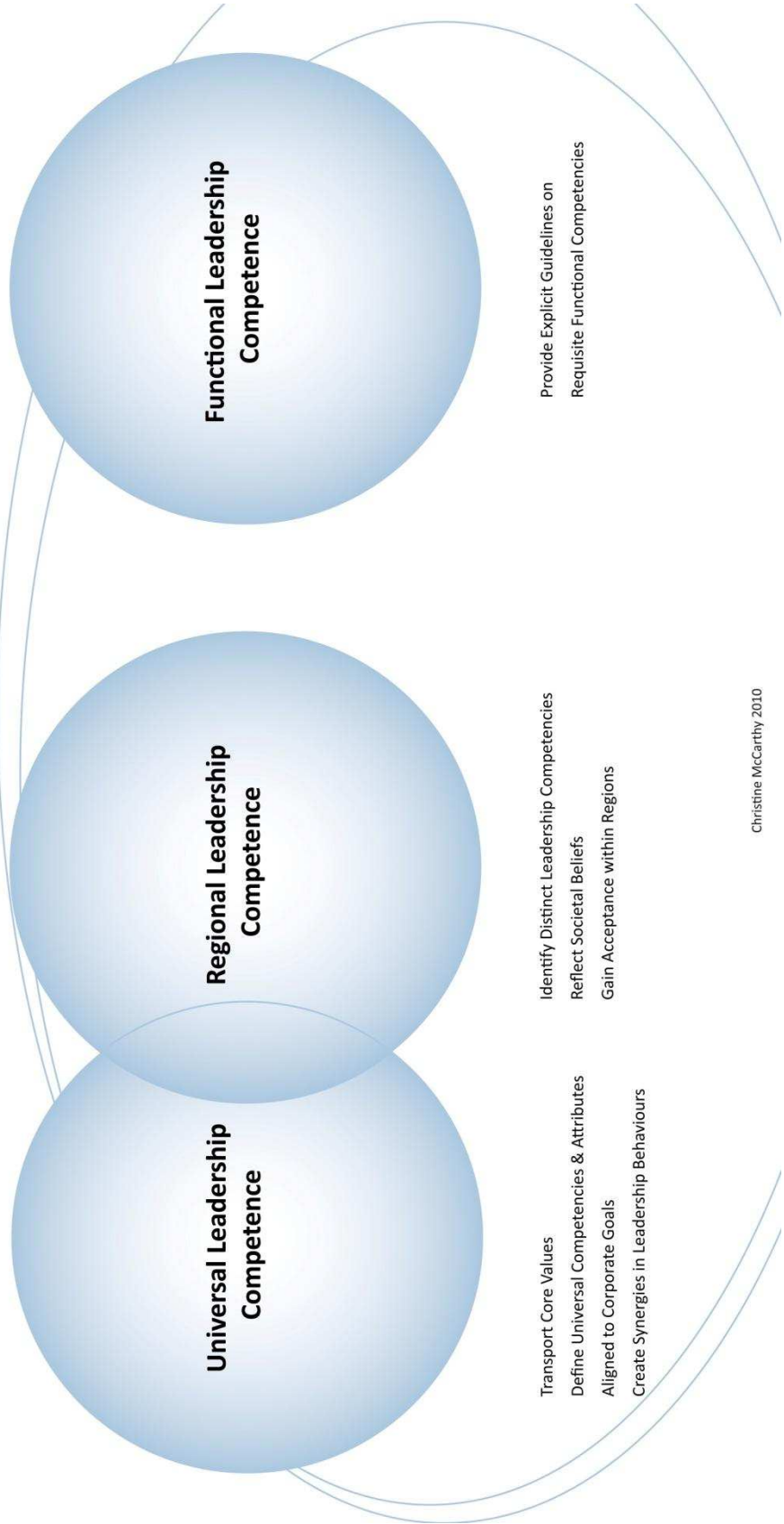
Christine McCarthy 2010

Fig. 58 The Foundation of a Universal Leadership Competency Model

## Leadership Competency Models: Facilitating Global Integration and Local Responsiveness

### Tandem Approach

Global Integration and Local Responsiveness  
Better Harness the Global Potential of the Organisation



Christine McCarthy 2010

Fig. 59 Leadership Competency Models: Facilitating Global Integration and Local Responsiveness



Figure 58 suggests the essential competencies needed to underpin a LCM that can be effectively deployed in a multinational environment. Based on the primary research, secondary literature review, and other empirical studies pertaining to LCMs and global leadership, which distinctive competency areas need to drive a universal LCM designed for multinational organisations? The suggested core competencies that have been identified as essential for leading in a multinational environment (see Table 14 Chapter 5) are as follows:

- Visionary and strategic competence
- Geocentric relational and situational leadership competence
- Motivational and interpersonal competence
- Communication competence
- Cross-cultural competence

These competencies align with global leadership studies from the likes of Yeung and Ready (1995), Black, Morrison and Gregersen (1999), Rosen et al. (2000) and Avolio, Walumbwa and Weber 2009, each emphasising cultural flexibility in performance orientation, and focusing on shared leadership, situational sensitivity, interpersonal skills and cultural literacy competencies.

Based on the premise that performance orientation and future orientation are fundamental to organisational success (GLOBE 2004), and to the function of global leadership, visionary and strategic competence forms the fulcrum of this universal LCM.

#### **8.4.1 Visionary and strategic competence**

The findings showed that aligning leader behaviours to the overall corporate vision and strategic direction was regarded as instrumental to achieving corporate synergies across regions (Accenture 2007, Osland et al. 2004). One of the key challenges of leading in a MNC is achieving and sustaining commitment to global initiatives, and thus standardisation and compliance. While senior management drive strategic vision, it is incumbent on middle management to implement, manage and maintain such global initiatives. As the implementers of LCMs, middle management leaders are the glue that binds dispersed teams and regions together; they achieve the requisite synergies by acting as transformational leaders and integrators.

As Percy Barnevik wrote, strategy is important, but 90 percent is “execution” (Barnevik cited in Lane et al. 2004 p178). Implementation has thus become key as organisations increasingly

try to span regional boundaries. But leaders in this study, some from previously autonomous regions, felt their independence and discretionary scope was reduced through the imposition of top down, centralised global initiatives. It was argued that the latter lacked understanding of the particular nature of regional markets and situations; and failed to include regional input in key strategic initiatives (Trompenaars and Woolliams 2007).

Globalisation of industry requires huge change initiatives on the part of both HQ, regional offices, and leaders. The challenge to overcome 'silo thinking' and a prevalent 'not invented here' syndrome in the regions need to be coupled with means to combat change aversion within HQ (Schein 2004). Moreover, the researcher's personal experience in multinational leadership teams has shown that leaders may excel at leading within their own culture, but often lack expertise in multicultural environments, and thus fail to embrace global change initiatives.

The findings show that middle-management leaders charged with steering the organisation across regional boundaries recognise the difficulty of making rigid leadership systems effective in a climate of complexity and ambiguity. The literature review also revealed the danger of imposing specific behaviours that inhibit change and innovation (Garavan and McGuire 2001, Brownell 2006). "Once an elaborate system is in place, administrative rigidities prevent it from responding to change" (Bacon 2001 cited in Brownell 2006 p316).


Therefore, this study argues that MNCs should avoid adopting universal LCMs that include specific, emic leadership behaviours that are not meaningful across cultures. Leaders charged with implementing LCMs across regions suggested that the transference of corporate vision and strategic direction also require that equivalent time and resources are invested in model development and implementation. Implementation and training has not, however, been a feature of competency model management (Intagliata, Ulrich and Smallwood 2000 p8, Silzer 2006 p404). This will have to change if implementers are to achieve cross-cultural synergies via a visionary and strategic framework that is fundamental to dynamic, future-orientated LCMs.

#### **8.4.2 Geocentric relational and situational leadership competence**

The findings, both in the primary and secondary research, showed that there cannot be a universal approach to leadership based on a single leadership prototype: global leaders need, therefore, to have a flexible, context appropriate leadership approach. In a multinational environment, the importance of integration and local responsiveness is paramount.

The leaders surveyed recognised these geocentric challenges but believed the existing LCMs provided little guidance on how to accommodate them. To gain some flexibility, leaders stressed the need to formulate universal behaviours in abstract terms rather than specific culturally contingent terminology, a point also made by Smith and Bond (1993). If competencies are not phrased in abstract ways, it will be difficult to achieve group synergies around common leadership behaviours. Moreover, this explication can best be given in regional sub-models where the cultural context lends greater meaning (Osland et al. 2006).

LCMs need to foster context-appropriate relational competence, boundary scanning skills and associated attributes to allow leaders to effectively respond to diverse contexts. LCMs must therefore incorporate cultural contingency, even when attempting to effect universal corporate goals. As one leader stated: "... leaders need the ability to approach the goals from different angles"

 C1 / S9

#### **8.4.3 Motivational and interpersonal competence**

Inherent in relationship orientation, motivational and interpersonal competence was emphasised throughout the findings - 19 leaders cited motivational skills, people skills, and coaching and guidance skills as essential to leading in a multinational environment. Leaders especially emphasised the need to differentiate between task and relationship orientation (Fiedler 1967, Tannenbaum and Schmidt 1973, Bass 1990), and performance and humane orientation (GLOBE 2004).

The secondary research also stresses the importance of motivational and interpersonal competence in order to ensure common understanding on team goals, to facilitate clarity and transparency on individual and group boundaries, and clarity and congruence on leadership expectations. Leaders need to have a genuine interest in people, and the requisite cultural sensitivity, to be able to approach and motivate diverse stakeholders (Stahl 1999).

#### **8.4.4 Communication competence**

Analysis of existing cross-cultural research indicates a clear need for organisations and leaders to consider the cultural contingency of communication in the design and execution of universal leadership models. LCMs need to reflect and reconcile the broad differences between high- and low-context communication (Hall 1977, Schneider and Barsoux 1997), and consider the appeal and declaratory level in communication (Brinker 1992). In addition, communication concerning leadership behaviours should consider a society's individualistic and collectivistic orientation, and level of power distance (Hofstede 2001, GLOBE 2004).

21 of 38 leaders in the study stressed the importance of communication skills and related attributes for leadership in a multinational environment. The findings show that although the leaders originate from high performance oriented societies that tend to use low-context language (Hall 1990), most insisted that LCMs encourage culturally sensitive communication that accounts for high-context societies where language is more subtle and ambiguous (Schneider and Barsoux 1997). Accordingly, communication competence should incorporate empathy, facilitation, filtering, cultural sensitivity, adaptability, persuasiveness, virtual communication skills, and the ability to translate visions and goals.

The findings also indicated a strong belief in multilingual LCMs that are comprehensively translated into the respective reference language. Leaders thus validated Barner-Rasmussen and Björkman's (2003) assertion that MNCs are multilingual organisations. Though this study has not attempted to incorporate linguistic analysis of the three LCMs – any in-depth linguistic exploration is beyond the scope of this research project - an area for future research would be to analyse the way language impacts on the understanding and translation of leadership competencies.

#### **8.4.5 Cross-cultural competence**

Cross-cultural, relational leadership skills, a fundamental competency in global leadership studies (Osland et al. 2004), was emphasised by 15 of the 38 leaders in this study. While the three LCMs under investigation detailed the need to value differences (LCM1), to encourage openness and respect for other cultures (LCM2), and consider cultural differences (LCM3), leaders in the study did not feel that cross-cultural competence was adequately enshrined in the LCMs.

Such intercultural competence is identified in the secondary literature as the foundation of global leadership, enabling leaders to create linkages across diverse, sometimes fractured organisational, and cultural, boundaries (Beechler et al. 2004b). Cultural intelligence and competence enables leaders to reconcile sometimes opposing values and beliefs regarding power relations, communication context and so on, when attempting to effect cross-cultural synergies across multinational organisations (Trompenaars and Woolliams 2007).

Knowledge was viewed as the foundation of cross-cultural competence: knowledge of country values and corporate culture, understanding how different countries work, knowledge of self, and awareness of diversity. Empathy, openness and self-regulation were the key attributes of cross-cultural leadership competence, and will need to be fundamental to LCMs designed to encourage corporate synergies across regions.

## **8.5 Potential applications of the tandem approach to LCM development, and implications for the development and enactment of LCMs**

Having suggested a geocentric (Perlmutter 1969) approach to LCM development via the deployment of universal and regional models, and having outlined key competencies in the framing of universal LCMs that are cross-culturally transferrable and adaptable, it will now be germane to discuss the implications of the research for the enactment of universal LCMs across regions, and the potential applications of the tandem approach to LCM development.

Historically, the design and enactment of LCMs have suffered from a lack of a codified research into multicultural environments (Morrison 2000, Intagliata, Ulrich and Smallwood 2000, Emiliani 2003). Though abundant research into cross-cultural leadership exists, this research has not been incorporated in the three LCMs surveyed. Organisations therefore need to utilise knowledge gained from research into global leadership, global mindset and intercultural competence when developing and deploying regional and universal competence architectures.

The universal model presented in Figure 58 will benefit from detailed elaboration of specific intercultural and cross-cultural communication competencies outlined in the research of Bennett, Brinkmann, Byram, Deardorff and Irving, among others. It is recommended that a polycentric approach, country oriented (Perlmutter 1969), be adopted in the creation of regional models; although regional models can draw on the culturally endorsed leadership prototypes proffered amongst others by the GLOBE research project (Figure 14), and the GLOBE project's forthcoming Anthology of Country Specific Descriptions (House and Chokar forthcoming) they should first and foremost draw on expert findings and theories on leadership from the multifarious regions in which the organisations operate.

In the development and deployment of universal and regional models, practitioners and educational institutions will benefit from considering the critical success factors (CSFs) put forward by the respondents and presented in Chapter 7 (Table 26). In addition, multinational corporation HQs would be advised to enlist the support of a global implementation team to design and roll out the universal model transnationally; and to implement an integrated performance management system that allows accurate monitoring. Indeed, Irving (2008 p10), along with Hunter (2004), Osland et al. (2006), Hollenbeck, McCall and Silzer (2006), and Johnson et al. (2006), argue that any successful intercultural competence development intervention is reliant on the ability to measure performance.

Successful business does not fail to measure their bottom lines ... If the development of interculturally competent global leaders is one of the highest priorities for today's organizations (Gregersen, Morrison, Black 1998) institutions [organizations] need to identify ways of measuring outcomes around this area (Irving 2008 p10).

What then are the implications of the tandem approach for developing a universal leadership competency framework, and ultimately developing global leadership competence? First, it is important to understand that the development of such a competence framework is a process built on awareness, educational experience, and international leadership experience. By eliciting regional involvement in the design and execution of universal and regional models, HR will actually be practising the widely preached diversity and inclusion (D&I) principle espoused by most MNCs today. In addition, as discussed in Chapter 6, through taking a geocentric approach to the development of universal LCMs, HR would incorporate the recommendations of experts who have long argued the need to internationalise HR instruments and operations in multinational organisations (Pucik 1998, Brewster 1999, Rosenzweig in Stahl and Björgmann 2006). As discussed in Chapter 6, leaders criticised the ethnocentric nature of their current models and identified this issue as one of the key impediments to their transnational efficacy. A tandem approach to the development and deployment of LCMs, if successfully able to incorporate such diversity, could therefore be a milestone in global leadership development.

Following their review of extant empirical studies on global leadership - presented in Table 6 - Osland et al. (2006 p212) conclude that few frameworks or models exist that describe the global leadership development process. According to the authors, the major challenges organisations face in establishing global leadership development programmes are

- i) selection criteria
- ii) agreeing on the competencies to develop and measure
- iii) designing effective training programmes
- iv) retaining their highly sought after graduates

This thesis has concerned itself with the second challenge. Thus, while further explication of the tandem approach for the development and deployment of LCMs is necessary, the proposed foundation model (Figure 58) was conceived to encourage further discussion on the subject, and to promote additional methodological work. Ultimately, this proposed meta model will hopefully be a catalyst in the quest to create leadership development programmes with a global focus.

The author's interest in the transferability of LCMs across cultures was initially spurred by the following quote:

The challenge today in leadership models and framework is to include a perspective that transfers to modern global business and international leaders. Attempts to map the personality traits, effective behavioral competencies, contingencies, and transformational styles of outstanding leaders have fascinated a diverse number of practitioners and researchers. But in spite of the extensive proliferation of such models and frameworks, we find that desirable characteristics or effective behaviors of leadership and other frameworks identified in the United States or Anglo-Saxon cultures do not transfer to modern global business. They also fail at home for an increasingly diverse workforce. The question, then, is how leaders can deal effectively within multicultural surroundings (Trompenaars and Woolliams 2007 p 211).

This thesis has thus attempted to increase the efficacy of universal LCMs by incorporating contemporary knowledge on cross-cultural and global leadership. The latter has been a telling response to globalisation and the attendant need for diverse and flexible leadership regimes. Leadership definitions in LCMs derived largely from North American business models (Hofstede 1993, House 1995, Yukl 1998, Brownell 2006, Ståhl and Björkman) are increasingly inadequate in an age when leadership behaviours in Asia, Europe and the Middle East, among others, are integral to the multinational context.

In order to provide global leaders with the requisite guidance, universal models again need to be complimented, in tandem, with regional sub-models: as the GLOBE project asserts, regional leader prototypes are more likely to be effective and gain acceptance (GLOBE 2004). While serving to balance global and local needs, such a geocentric strategy, rooted in the culture of the parent company, will, it is argued, better harness the global potential of the organisation.

## **8.6 Conclusions**

This thesis has assumed that academic and business literature on cross-cultural leadership and LCMs has not sufficiently researched and codified the efficacy of LCMs across cultures. Thus, MNCs have lacked valid data from which to develop competency frameworks, including the perspectives and experience of seasoned global executives faced with the challenge of creating synergies across regions. Having worked with LCMs in multinational organisations, the researcher has noted leader frustration when attempting, for example, to reconcile espoused performance-oriented behaviours in regions where performance per se is understood differently.

On the evidence of LCMs as currently constructed, it could be argued therefore that any attempt to formulate universal competencies, no matter how contingent, is inherently flawed. This research project has indicated, however, that universal models, when mindfully designed and expertly executed, can indeed benefit multinational leaders. Without a universal model to guide leadership competencies, organisations will be devoid of a tool to transport core values, align leadership behaviours to corporate goals, and create synergies in leadership behaviours.

Having acknowledged the necessity for a universal LCM, the research has highlighted the critical success factors that will support the enactment of LCMs across cultures (as outlined in Chapter 7) - these aligned with the five core competence areas identified by leaders in chapter 5, and indeed with competencies detailed in existing global leadership research. However, any detailed behavioural indicators also need to be regionalised to align with implicit value dimensions in the respective areas - the GLOBE project's forthcoming Anthology of Country Specific Descriptions (House and Chokar forthcoming) may benefit the development of such regional models - while behaviours should be kept at the abstract level to accommodate cultural 'flex'.

While a significant body of research has focused on specific, detailed aspects of leadership and/or culture, little has been done to connect such detailed research back to a systematic model. This thesis has thus provided a theoretical framework through which HR, and indeed business leaders, can better conceptualise the inadequacies in incumbent LCMs, and thus reconstruct such competency frameworks to better facilitate multinational leadership.

### **8.7 Limitations and future research**

As with any exploratory research, the project created as many questions as it answered. While the cultural contingency of the models under investigation was established, the sample size was small, and focused only on three LCMs. Additional research with a broader sample would make the findings more quantitatively robust; however the study gives a strong qualitative appraisal (with the addition of some quantitative insights) of the contingent value dimensions that underline cross-cultural leadership in a multinational environment via the rarely analysed framework of LCMs.

As with any thesis, time and resources were limited. The literature on culture and leadership is, however, near limitless. An additional challenge then was to identify the pivotal works in the extant literature, and thus exclude much other valid research. Furthermore, such literature



derives almost completely from a Western perspective – research from other cultural perspectives, especially from Asia, will thus need to enter the debate. It might then be argued that this survey of cross-cultural leadership competencies has, epistemologically speaking, been framed from a mono-cultural perspective. Such limitations are acknowledged.

Having recognised the constraints of the current research, avenues for more robust future research aimed at developing multinational leadership competencies are identified as follows.

- The first research topic needs to be focused on metrics for evaluating and training on global leadership competence
- There is a wealth of information on evaluation and training in the literature, but it needs to be related back to a universal global leadership model
- Regional models need to be built especially for a non-western environment
- Organisations need to develop competence frameworks to satisfy the need for explication on functional competencies
- HR needs to absorb the wealth of information concerning global leadership to help business leaders and organisations adapt to the challenges of globalisation

A tandem approach to leadership competency model development is recommended as the best means to achieve these goals. Functional competency frameworks should be used to provide requisite guidance for the various business functions. The three tier system will comprise a

- Universal model
- Regional model
- Functional competency framework

Such a model will need to be tested for its efficacy, potentially through trial implementations. Firstly, however, a research paper to investigate how to connect the three pillars would enable a training program to be developed and tested in multiple cultures. To be useful, the model needs metrics that can provide a way of measuring the knowledge transfer.

The GLOBE project's ongoing research into diverse cultural perceptions of leadership could be aided through use of a systematic, universal LCM as a topic guide. A systematic review of leaders from different cultural perspectives, evaluated using a universal LCM, would help to bridge cultural gaps in multinational organisations and improve leadership training.

## 8.8 Chapter summary

The model is important for common understanding, but it is important to allow different interpretations of different cultures to allow for a cultural spectrum of possibilities

 C1/ L3

This thesis has set out to test the hypothesis that universal LCMs are necessary, but culturally contingent, and therefore, that the value dimensions defined in such models need to accommodate situational, relational and geocentric realities if they are to help leaders effect corporate synergies across multinational regions. As was stated throughout the findings, core competencies may be universal but behaviours are culturally contingent. The research thus concludes that the problem of cultural distortion and misinterpretation - which was overwhelmingly detailed by the 38 leaders surveyed in the study - can be overcome if LCMs balance etic universal competencies with emic behaviours and attributes that are developed collaboratively with the administrative regions.

Having acknowledged the epistemological and empirical limits of the research, this thesis is not intended as an antidote for the multiform dilemmas of universal LCM development in MNCs. Rather, the proposed foundation for a universal leadership model offers a codified structure through which organisations and business managers can begin to assess their cross-cultural leadership skills, and improve their boundary scanning performance. Through further research and development, the proposed framework could provide a systematic tool for assessing and developing global leadership competencies in MNCs.

## **Appendices**

### **Appendix A Respondent documentation – Page 1**

#### **Leadership and Culture Research Interview Respondents' Documentation**

Christine McCarthy, Dublin City University, Ireland  
(PhD Research, October 2008)

Thank you for agreeing to participate in an interview on leadership and culture and your organisations Leadership Competency Model (LCM). The interview will take approximately 45 minutes and will be recorded.

The subject of my thesis is to investigate the transferability of LCMs across cultures.

In advance of the interview, please complete and return the following two documents:

- 1) Consent Form (a requirement of the Research Ethics Committee of Dublin City University)
- 2) Background Information Sheet (to provide context for the interview).

Please be assured that all information collected will be used solely for the purposes of my PhD thesis. Your identity will remain anonymous.

The LCM is attached for your attention.

**Leadership and Culture Research Interview  
Respondents' Documentation**

Christine McCarthy, Dublin City University, Ireland  
(PhD Research, October 2008)

**Background Information**

1. Please indicate your gender:      male                            female
  
2. Please state your age:                      \_\_\_\_\_
  
3. Please state your nationality:              \_\_\_\_\_
  
4. In which country are you currently living?      \_\_\_\_\_
  
5. Please detail any experiences which have contributed to your understanding of different cultures (e.g. parent / partner from a different culture; living/ working in different countries; etc.)  
  
\_\_\_\_\_  
\_\_\_\_\_
  
6. Please give details of which languages you speak and indicate the level of fluency.  
  
\_\_\_\_\_
  
7. How many years have you been working in your organisation?      \_\_\_\_\_
  
8. How much experience have you had leading multinational teams?  
  
\_\_\_\_\_
  
9. In your current role, what cultures are represented in the members of staff who report directly to you?  
  
\_\_\_\_\_

**Leadership and Culture Research Interview  
Respondents' Documentation**

Christine McCarthy, Dublin City University, Ireland  
(PhD Research, October 2008)

**Interview Questions**

Please consider the following questions which will be posed during the interview.

**Q1** On the basis of your experience, describe what competencies, attributes and behaviours are essential for leading in a multinational environment.

Please take a look at your organisation's LCM.

**Q2** a) What are the main competencies and attributes you associate with each of the listed behaviours?

b) To what extent on a scale of 1-4 do the behaviours and competencies listed in the LCM match the behaviours and competencies you consider necessary to fulfil your current leadership role?

1	2	3	4
Exactly	More or less	Marginally	Not at all

**Q3** a) To what extent on a scale of 1-4 are the required competencies and behaviours expressed in the LCM model easy to implement within the teams for which you are responsible?

1	2	3	4
Very easy	Rather easy	Quite difficult	Extremely difficult

b) What challenges are experienced?

c) Do cultural factors play a role? Yes / No  
If yes, how?

**Q4** In managing multicultural teams what additional competencies and behaviours if any are required, which are not included in the LCM?

**Q5** In view of the continued globalisation of your organisation:

a) Do you feel it makes sense to have one universal leadership model for all regions? Yes / No  
Why?

b) If you feel a universal model makes sense, what factors will ensure that this model is effective in the multinational environment?

**Appendix A Respondent documentation – Page 4 Transcript 1**

C1 / L1 (black)

Interviewer: Christine McCarthy (blue)

**Q1 Essential competencies**

So the first question is basically what competencies and behaviors are essential in your opinion for leading in a multinational environment? And I've got three here, I've got competencies, behaviors and attributes if you want to kind of distinguish between the three, so firstly competencies.

Right, ok, in terms of the competencies I would say, let me just think of the main competencies that I associate. In terms of the competencies I would, is there a sign, let me just do the following, let me just, is there a list of competencies that is expected or...?

Oh no, no, just in your opinion, this one is in your opinion

Ok.

Which competencies do you feel are necessary to lead in a multinational environment?

Number one is forgiveness, but I guess that, number two would be the competencies... I think number one competency is, is, I would say, is, being able to have clarity on your own vision, I would say that's probably the number one but that in itself is not the entirety of it, number two is to be able to translate it.

Ok.

So one is, you know, sort of have a very clear vision of to where you want to go to but probably equally as important is to be able to sort of translate that to people so that people can also see it. Otherwise you just, you know, you're going on your own and you're not bringing anybody, anybody with you.

Ok.

I would say that would be probably the biggest competency, and what I associate with that is probably understanding the journey as good as the weakest link in the team, and so it's the surround, being able to coach and guide and, and just relate to people without, without, without, without coming across this descriptive or consenting.

Ok, just a question: do you think that there is a difference between leading in a mono-cultural environment, would you say the same competencies are necessary, C1 / L1?

Oh, yes, absolutely. I don't, I don't distinguish, I think what this is, is how you give the message.

Ok, right.

Ok.

So the difference in a multi-cultural environment then is how you give the message?

Yeah, it's how you, it's how you, it's how you do the second part that I described which is the translating of it.

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Ok.

Ok, so that I shouldn't, shouldn't differ.

Ok.

Ok, it's just, just, how you, how you translate it if you like, then yes, I think that, that it becomes important to be able to operate in different, in different paradigms, in different ways.

Ok, ok, anything else? Any other competencies that come to mind?

I think, I think in terms of leadership I'd say that's it.

So, at the risk of overtaxing you, I need the behaviors which emanate from those competencies, so how does one behave. Let's see, you gave me three or four, so clarity on one's vision.

Yeah.

And then being able to translate it, so what behaviors indicate to team members, peers and upwards that you have clarity?

It's articulate, I think that's one, being very articulate and concise, take the moment that you are a bit fuzzy and you keep trying to explain the same point over and over and over again, I think you lose people.

Ok.

If you seem to be having to explain it over and over again. So I think, being articulate, being concise and if you can't say it in one or two sentences then it's probably not very clear.

Yes.

So, I think that's number one. In terms of other behaviors, in terms of, in terms of the, so ok, being, being concise and being objective is probably number one.

Ok. Being objective, that's a new one, being objective, ok.

Yeah. And then I think having the ability to explain it from different angles, different approaches, I think is key to the second part that I was talking about, the translating.

Ok.

So that people do see that, ok, he or she really believes in it and they are coming at it from different angles, so you can explain it from the point that you look, this is the benefit if we do this, and you can get the same point across, well ok let's look at it: If we don't do this, what would be the consequences of it, of not doing anything, you know.

Yeah.

You start approaches from different angles, you can approach it, approach it from different types of behaviors, being directive or not being directive.

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Ok, ok.

You know, so, just, just being able to be a bit of chameleon in terms of how you, how you, how you communicate and how you, how you behave at the team members, to get them to see, ok, I can see where he is wanting to go, and now I, I, I might see why we should do this and why we don't do anything, then, you know, it's a worse outcome for.

Right. And that is more important in a multi-cultural environment.

Yes.

With multi-cultural team members.

Yes, most definitely. Because the style that I would use for example with all English people, if I used it with a person from Singapore, they would probably get very offended.

Yeah.

And likewise, if I used the style, if I used, to communicate with people from Singapore with an English person they would probably think I'm flakey.

Yeah, ok.

And those are the two opposites that I use normally as my sort of reference point, you know being with them on the one hand and I have the Chinese at the other where there it's very important, hierarchies are very important, never, they should never be seen to be told off or humiliated in public.

Yeah.

Always saving their face and stuff like that, and if you do that with an English person, then they think you're flakey.

Ok.

Yeah.

Good Ok, if you were to go through a list, very briefly, of characteristics to describe a leader, a competent leader, a successful leader or an outstanding leader in a multi-cultural environment, characteristics that he needs to bring, he or she needs to bring to the job. I can give you one or two if you want me to but I'd prefer if you could just go through them yourself.

I'm just trying to think of what would be inspirational for me. I would say that they are not, this is going to sound a bit strange but that they do not seem to play more in one camp than in the other. For warring nations, for example Switzerland, ok, so they are neutral and they can relate, so it's humility to empathise and relate, it's different ways of thinking and different ways of behaving.

Ok.



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But never, never sacrificing what he or she believes to be the right way, so he or she would formulate their opinion, listen to other people but come to conclude, I think people respect, will respect leaders, even if they're going the wrong way, but if they know that they're going the wrong way after they have considered everything that they've heard, then they've got, they've got the respect. And also that they see, that, ok, if a person is from France, they are always behaving, they are always faithful to the French, and what the French have to say, and, you know, screw the Dutch, kind of thing.

So, unbiased?

Yes, unbiased.

Neutral.

It's open to discussion, firm but fair, which is probably the best, the best way. And seem to be, seem to be in terms of opinions relatively neutral. So when you hear them articulate, I think, of course you could say, I can see, I can see where he is coming from, but a little bit, probably, from, you know, a Chinese contingent or Chinese way of thinking and otherwise of more European, so yeah, I would say that's, that's number one. And number two I think would be one that never, never, never outright challenges in public. May, may, may disagree but is always, if they fundamentally disagree with something, then they'd, they'd deal with that personal issue in an isolated way rather than in front of the rest of the team, or the rest of the company, or, or whatever.

Ok.

Ok, so they are, they are just a little bit above, getting involved or getting broiled into, broiled in a, in a one to one discussion or one to one argument.

Ok. Right. Ok, so the characteristics that one brings to the table are, neutrality or neutral, empathy, never sacrificing one's opinion, unbiased, firm but fair and never outright challenging people, others in public.

Yeah but, but, but also, you know because that's, that's sound almost the kind of thing not, not, not, but one of the things that pays at the first thing that we talked about is that it is very clear where the person stands.

Yes, that's ok. Ok, C1 / L1, well that was the first question, that's your opinion on what competencies, behaviors and characteristics one needs to lead in a multi-national environment. We'll move on to question two then.

### **Q2 a) Competencies associated**

So question two is dealing with the LAT behaviors and we can go quickly through. There are nine behaviors under the three overarching leadership, accountability and teamwork. I, I'll just read the behavior to you in case you don't have it in front of you, or do you have it in front of you?

No, but I've got, I've got this file of them.

I can just read it to you.

Ok.

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It's very, very brief. I'll read the behavior and then you tell me please which competencies you associate, the competencies aren't mentioned so I'd like you just to say what comes to mind, what competency you associate with this behavior. Ok, under leadership there is: We build shared vision, that's the behavior, what is the competency, that you associate with that, please?

The ability to emp.. , yeah, I would say the ability to, I'm stuck between the ability to empathize and the ability to articulate, I'll go with the first, the ability to empathize.

Should I take both or should I just take the first.

You can take both, yeah, articulate and then empathize.

Ok. The next behavior: Focus: We set clear priorities and reduce complexity.

Again, an aspect of the ability to articulate and, and distill, so, if you think back to what we've talked about before, about, you know, having clarity on your own vision and being able to translate as being able to do that smooth link between the two so it's probably again articulate plus distill.

Ok. People: We motivate, coach and develop. What competencies are associated with that?

I would, I would go with the empathy again. It sounds like, again, it's back to articulation, if you need to coach, you need to know what you're coaching towards, it's because you have something in mind to what you want to get them to, so it's, it's around clarity. Clarity of needs, or clarity of objectives.

Ok.

Ok.

Ok. So empathy and clarity of objectives. Ok, next one: External mindset: We focus on customers, governments and key-stakeholders.

Always be questioning your own position, always challenge your own position, so it's always, a position that is correct. Say, four years ago, if you set it in stone, it might be outlandish or it might be completely ridiculous. So, it's the ability to keep questioning your own challenge or in other words, keep challenging your own, your own position.

Yeah.

Don't, don't believe that what's true today is definitely going to be true tomorrow.

Ok. Good, moving on to accountability. What does accountability mean, the first one is: Drive: We grasp opportunities with energy and take on tough challenges.

I would, I would say courage there. I would, I would say, because if you take, if you take on the points before you may see the way to go, you may have, you may be able to articulate it very well, you maybe also translate it very well, but you may not have the courage to actually go down that road because it challenges fundamental thinking or, or, it's, it's against what the company is doing at the moment, you know, so, courage I would say.

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Ok. Next one under accountability: Discipline: We know the rules and stick to them.

That's integrity to me, it's just integrity.

Integrity, ok. Delivery: We reward success and address failures.

Open mindedness I would say, in other words, yeah I would, I would, rewarding success that's the easy one, everyone loves to do that, but being able to sort of identify failure and work with it, it takes, it takes a lot of courage as well.

Courage.

Courage and open mindedness, presuming you need to go through the whole process, accepting it and then acting on it. Open mindedness and courage would be the two.

Ok. Moving on to teamwork, what does teamwork mean? There are two here. First one: Capability: We get the right skills and use them all.

I would say that sounds like clarity of needs, because if you've got clarity of where you want to go you can assess what you've got in hand at the moment and what's needed, and if people need skilling or changing, then, that, that, that realization will become really clear as to what the gap is, it's around gap analysis and clarity.

Ok. Right, and then finally under teamwork again: Challenge and Support: We strive for the right balance neither cosy nor hostile.

Challenge and compassion I would say. Do you mind just repeating what you said?

Under teamwork: Challenge and Support: We strive for the right balance neither cosy nor hostile. The competency again C1 / L1, the competency you need in order to be able to live this behavior: strive for the right balance neither cosy nor hostile.

Is, is, I would, would say empathy and a degree of, of, of I don't know what the word is, being ok with challenge, not only on yourself but to challenge people as well.

Ok. Ok, right, before we move on to the next question I just repeat the key competencies that you mentioned, that you found in the LAT behaviors. Right, C1 / L1, so the first one was, you said that quite often, in the first behavior you said empathy, ability to empathize, and then again to articulate.

Yeah.

So empathy and powers of articulation or skill of articulation, communication.

Yes.

And then the second one was again articulation and distilling, I mean that's discernment as well, perhaps?

Yeah.

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Discernment, yeah, I'm going to add if I may, tell me if I shouldn't, so articulation and discernment. With the next one: we motivate, coach and develop you had empathy, and then clarity around objectives, where you are and what you're coaching towards.

Yeah.

Ok, next one was: Focusing on customers, external mindset and you said challenging your own position, where you were a few years ago and nothing being set in stone.

Yeah. It was around challenging your own position.

Ok. Then the next one was under accountability: Grasping opportunities and you said courage.

Yeah.

And then again communication, no, no it wasn't communication, you said courage and you may be able to translate it very well.

Yeah.

To translate, yes. Ok, then: Knowing the rules and sticking to them you said integrity.

Yeah.

You didn't say compliance.

No.

No, you said integrity.

No, I just said, I just said integrity because that's, that's in our brain you know, you either are or you're not, you don't have to worry about being compliant, for me it's you're either a person with integrity person or not, you shouldn't be leading.

Ok. Then it's: Delivery and rewarding success and here you said open-mindedness, courage and accepting.

Yeah. The last one I got a bit stuck on to be honest, for me it's the desire to motivate because that's, at the end of the day, if you don't have the desire.

Ok.

You know the desire to have, two of the team that I have now one of the proudest things I have is taking people from where they were when they joined the team and then seeing what they have done when they leave the team, you know, so it's around desire to motivate.

Ok, yeah, that's good. Desire to motivate, ok. And then the last two were teamwork again and you said, it was: getting the right skills and using them, you said clarity again around needs, assessing what you have at hand and gap analysis.

Yeah.

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Yeah. And then finally the environment: Striving for the right balance, neither cosy nor hostile, challenge and compassion and empathy. And then challenging yourself, being ok with challenge you said.

Yes.

Has that something to do with, with risk tolerance, has that something to do with courage again when you say being ok with challenge?

The accepting of challenge by the team and to challenge the team.

Ok, ok. Right, ok, then I'm going to move on to, that was question two. Now I'm going to move on to question four, skipping question three, I'll come back to it. Do you have it in front of you C1 / L1, question four?

### **Q4 Additional competencies**

Yes, so which ones are not included on the basis of what you've said, just said to me and what I repeated to you, which ones, are there any which are not included in addition to what is mentioned in the LAT behaviors?

Well they all sort of fill sort of something, of the L and the A and the T, I'm just trying to think of the very thing, no, I think each of the one's that you've described, or sorry, that I described played back to me, do feel and they are all for the L and the A and the T and not an exclusive group on their own.

Ok.

Does that sound reasonable?

Yeah, that sounds reasonable, ok. Question two b).

Oh, ok. So you go back to two.

### **Q2 b) Competencies matching**

To what extent, then, do the behaviors listed, match the behaviors and competencies you consider necessary to fulfill your current leadership role?

They are there, they are all there.

If you take it like this C1 / L1, if you had written that thing, if you had been involved in writing that model would you have taken those behaviors, and said, ok, that matches more or less, I've got a scale here of one to four, if that helps, so if they match exactly, that would be one, and if they don't match at all that would be four and two is more or less and three is marginally.

Yeah. I would say to, to a great extent they do but it's, it's, it's one of the things, where the gap between theory and practice is, is, is quite wide, it's a bit like, it's a bit like reading how to ride a bicycle.

Ok.

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And then riding the bicycle, you know, there will be nothing in the book that doesn't, you know, that, that's missing, ok, but it's just that, it's just that ability or that opportunity to go out and practice and so I don't think there is anything missing, but it's just getting comfortable with them and, and through trial and error and that, that's the first thing that comes to mind, it's, it's, it's there, so to what extent the behaviors and competencies listed, they yes, you know, they do match, but it's only, it's only, it's only when you actually get to lead that you're actually thought to put it in practice and you're actually thought to see what actually the gap between the written and the practical is, is, is quite, is quite, is quite high. And, and, and, and teamwork is the one, comes to mind as being one of the toughest.

Ok, that's interesting.

Because of, because of a lot of the times, you know, for example, you know, I may be under lot of pressure from my, from my senior leaders to deliver on something, which I need to get the team together to deliver, but the team may disagree to the same degree as I disagreed, but sometimes you just have to go and do things and until you've got the team to realize, you know what we just have to go through, you know. I'm in the same boat as you guys, precious time has gone, and, and you're, you know, the clock is ticking and you're very close to the deadline, you're heading the serious risk of crossing that deadline and not having completed or delivered, and, and you can be, you can be very descriptive and very directive and say: Look, there is no dialogue here, that has to be done, I'm sorry, just get it done. You know, you know, that's in the face of teamwork, the practice on paper is absolutely right, you say everybody done, explain the situation, explain the situation you're in, look at the alternative, there isn't much of an alternative guys we have to go down this road. But when you come to the practice of it, it's, it's different reality bites, and you've got ten people, all want to express how discontent they are and having to do, I'm going through this at the moment, you know, with setting the targets for next year I've been given a number of the teams who need to buy into, you know and, and, and, so I guess it's a long way of answering.

No, it's fine, it's perfect.

Yeah, so, so, that's so, to a great extent yes, yes it does, there is nothing missing, but it's just having the opportunity to actually put it in practice, where you start to really realize the gap between the theoretical and the practical.

Ok.

Does that make sense?

That makes perfect sense. Perfect, so if you were to rate it then on a scale of one to four again of the same question you said two or three times now they are all there, yes they are there, does that mean it would be a one?

Yeah.

However you have to say that it's the difference between the theoretical and the practical?

Yes.

In the implementation then.

Yes.

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Ok. Right, I think you've already answered question three with that. Let's just look together at question three please C1 / L1.

### **Q3 a) Competencies easy to implement**

To what extent are the required competencies and behaviors expressed, easy to implement within the teams for which you are responsible?

Put it this way: The longer I've worked with the team, the easier it has become. At the beginning it was very difficult to be very honest.

How long ago was that?

Oh, I've been managing this team, this is, I'm coming up to my fourth year.

Ok.

So for the first eighteen months it was, it was pretty tough, a lot of clashes, but I think the team and myself, well let's, you know, we've reached sort of a midway understanding where a lot of times I realize, that I sometimes I don't have to say some of the things I've been asked to do, and they also appreciate it when I they, when I haven't been asked to do something and I come to them and say: Ok, let's look at developing opportunities going forward, where there is no descriptive answer for it, it's, it's brainstorming, and say guys, what could we be doing better, what could we be doing different and what could we do, and in cases like that it works very well, very, very well. But in cases, especially at the beginning, where I didn't have a lot of choice, I had to get the team in a, in a certain direction, there was a lot of clash, a lot of clashes of personalities, and I have found that over time, and maybe this is true for a lot of leadership situations. Ask the two sides, if you like to call them that, start to understand a little bit of each other and start to appreciate a little bit more of each other, that midway point is found and it's not a case of the team coming to the, to the leader or the leader coming to the team, you know, it's a, it's a meeting somewhere between the two points, so I think time and time, time makes implementation a lot easier, yeah.

Ok.

Ok.

### **Q3 c) Cultural factors**

Very good. And, again, do cultural factors play a role for you?

Definitely, yeah, absolutely definitely.

Ok. Could you just give me one or two thoughts on that?

It's bound to, it's bound to what I was talking about the earlier on, the translation of the vision and the way that they, that different cultures express themselves, so you have in a team people who want you to be prescriptive, people who respect hierarchy, people who don't challenge what you, what you have to say right through to people who will only listen to you once you've earned their trust, once you've earned their, once you've convinced them. So you have to be able to sort of operate with those different styles, and, and be comfortable that one, one side of cultures is going to challenge you and challenge you in public and may even back you

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into a corner while there is another that will listen and basically go off and do anything that you say.

Yeah.

You know, and are either one of those good, no. You know, so you want it, you want it half way between those, those, those two styles, but yes, most definitely cultural, culture comes into the practice side of things, it's really, really evident, at least in my group, because I only have one English person and everybody else is from different countries that I have known to people from the same country in my team...

Ok. Ok. We are nearly finished, moving on to, that was three, four we've already looked at, unless you want to say anything else now in addition to four? I've made note already on it.

No, I think that's.

Well time, I mean time you said, but that's not necessarily a competency, time is needed.

No, no.

Are you sure there is nothing else needed in addition to what they have there in those nine behaviors and in what you said, I mean I'll tie that in with the answer you gave to question one, which was again clarity on the vision and the ability to translate it and coaching and guiding is what you said and understanding, understanding the journey as good as the weakest link in your team, articulate, concise, comedian.

But those all fall, in a sort of sub-sense.

Yes, they do.

Yeah, I think I, I don't see any, maybe integrity, but integrity is a given, you know, you shouldn't, you shouldn't have to be coaching people to have integrity.

The question would be: If you were designing or the architect of such a model, would you put integrity in, would you list it or would you just presume it's a given?

It's absolutely presumed.

**Q5 a) Sense of universal model**

Ok, then the final question, you will be happy to hear is question five: In view of the continued globalisation of any organisation, does it make sense, in your opinion, to have one universal model, for all regions, and that is the, the subject of my PhD, whether it makes sense to have one universal model?

I go back to the base thing I said, so the answer is yes and no. If we are talking from the strategic point of view, then yes, I think it does make sense to have one, one model. Because if, if you are creating vision, and I'm not talking about translating vision, if you are creating vision, you probably want that one style right across the organization, because that would allow compatibility, that would allow bench-marking, you know, if it's all done in the same way, you are able to compare. So my answer would be yes for strategic setting and vision setting, and, and direction of setting. Definitely not when you come to the implementation



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side. And that's where you need leaders with the ability to, or leadership style to match the cultural aspects where a strategy is being executed.

Yeah.

So I am separating the two. Leadership for strategy creation and leadership for execution if you like, which is the essence of what all business is about, no matter what part of business you're in.

Yes, ok.

So I would say definitely yes, a model has to vary, when it comes to the implementation side, that's what I think, for example, you know, the Coca Cola style of the greatest management implementing distribution, in China, for example, run by an aggressive American, might not, might not work, compared to a Chinese person in that position who is bought into a vision that Coca Cola needs to be in China, I guess the benefits are x, y and z.

Ok.

And they know how to operate within their culture, so you need to have the new answers, allow them to play out.

Ok. You're already answering, and that's fine, you're already answering b) of that question, C1 / L1. If you feel a universal model makes sense, what factors will ensure that it's effective, so you said no, so for strategic purposes yes, for leadership around strategy creation yes but then in the implementation would one need what do you suggest one does to ensure in the execution stage that that doesn't fall down? Is it?

I would ensure that it is someone that the central leadership can associate with and so can the regions.

Ok.

Ok. So that the regions can see, their cultural nuance is reflected or empathized.

Ok.

By that leader and at the same time that leader is also viewed by the central team as somebody who understands and buys in to their vision of what the future looks like, and has a confidence to, and they are confident in him or her that they will be able to relate to those given geographies...

Ok.

So it's almost like the person in the middle is, is sort of, reflective of, of both cultures and able to meet at the midway point.

Ok. But you do not think that it is necessary from an HR perspective to have separate instruments for the different cultural regions to support the one universal model? You are focusing on the leader and saying he needs to have empathy and appreciate nuances and so on.

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In terms of actual tools, motivation works across, across the world, independent of cultures, you know, some cultures might look for, might look for financial rewards as a way of motivation, others just want public praise, others just want recognition, you know, even if it's praise and recognition. Those are the tools, from a HR point of view I would just try to, I, you

know, just try to understand what motivational instruments work best in different cultures, that motivation still is there as an over-line, overarching sort of heading.

Yeah.

You know, you wouldn't take it away from any region.

No, but just within the context of the region.

Yes, some cultures find financial rewards quite offensive, others don't, you know?

Ok. Ok C1 / L1, we're done.

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C1 / L8 (black)

Interviewer: Christine McCarthy (blue)

**Q1 Essential competencies**

So the first question is basically what competencies and behaviors are essential in your opinion for leading in a multinational environment? What do you think?

Just that, just that I understand, Christine, this is like including or or you you provided this, the print out of the LAT bla bla.

Mhm.

This is, this is kind of separate to that.

Yeah, question one is separate to that. That is without having seen anything like that. What would you say, in your opinion, question 1 is in your opinion what is necessary, what's essential?

Ok.

And emphasis on a multinational environment with cross-cultural teams.

Yeah. Ok, just let me try and think about it. I mean I think the, I think there needs to be a, a absolute clarity around those, the business model or models, and also around the, the, the values of the organisation.

Mhm.

And I think, and I think this is especially important, clearly in a multinational environment where you've got different sorts of businesses and have probably different business models reflecting local market norms.

Mhm.

But I think the, the question is: You know, are you, are you a multinational company that that operates as a constellation of disconnected dots?

Yeh, very good.

Or are you, you know, one kind of an organisation where there is a red thread that joins it all together.

Mhm, yeah.

And and are you joined together by the business model or some other attribute of, of the organisation. And it could be leadership style or it could be greenery or some higher aspiration.

Yeah.

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So what I, you know what I, what I find is that, even in a company like C1, what I think works it reasonably hard.. the ability for the organisation to, to disassociate itself from you know, the, from enterprise values or enterprise targets is still astonishingly high.

Ok.

I mean we come to this a bit later on, when we start talking to, you know bringing it down to the individual level.

Ok.

So, so I think, you know, you know what you need is either, as is only, unless you're going to, you know, do the sort of discredited a, b, b, model where essentially you know you're just running it or maybe even like it some kind of private equity model where you're just running the whole sort of disparate businesses and the only thing, you know running this whole cash generation or something.

Yeah.

If you accept that that model is, is unusual or discredited or is it both, then the question is, what actually is the glue that binds the organisation together and the people within it.

Ok.

So that hasn't really answered your question.

Yeah, well I can, I mean I can decide from, from that what is the glue around or what binds the people together, what binds the organization together? What is the competency then for you C1 / L8? I mean the question is: what are the competencies and behaviors for leading, so it is the ability to decipher or what is the competency you would associate with that?

Well I think there, there is a huge, I think there is kind of two brackets here. One is around you know the classic built shared vision.

Yeah.

So I think there is a competence, only a function that you want a multinational organisation that is, that is there to create synergy by being multinational, I mean, as everything I will say today is prefaced on that.

Yes, ok.

Rather than just being an aggregation, and then I think, you know the question is, ok, well what is the, what is the vision that, that underlies that multinational entity.

So, clarity around that vision?

Clarity of purpose, you know, the usual mission vision.

Ok.

I think there is a huge competence then linked to that, so that's where it begins for me.

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Yes, yes.

There is a huge competence linked around communication.

So being able to translate that then into the different regions etc.

Yeah. And I think then, you know, and, and, and I think the vision thing is also around not only around where you're going but also how you get there, not only in terms of, you know, functional targets but also value targets as well.

Yeah, ok, yeah, ok, got it. Yeah.

That was a bit more specific.

**Q2 a) Competencies associated**

Yeah, that's it, ok, wonderful. Then, moving on to question 2. And here we're looking again at the LAT behaviors particularly. And there are nine of them C1 / L8 and I'm going to go quickly through each one. And if you could tell me which competency you associate with each of the listed behaviors, ok?

Yeah.

So building shared vision, the first one under leadership, building shared vision?

Ok, I would say, I would say it's kind of external facing.

Yeah.

I would say, em, em, it's kind of, this is, I would say mould-breaking.

Mould-breaking, mhm.

I would say listening and, and there is something there about connecting dots.

Yeah.

And particularly connecting dots in, in unusual ways, so there is something about sort of pattern analysis I think in that, that I would see, you know, I'm not, I'm not a sort of great believer in people just conjuring up visions, and think it's people that can spot patterns, and that can spot them early.

Ok, very good, ok, second one, focus: setting clear priorities and reducing complexity.

Yeah it's indeed, it's, it's about, I would say there is a lot about here about, this is to me more where strategy comes in, you know I mean I've always been a great believer in that, in that, strategy is only a decision making framework and if you can't, drive, if it doesn't drive clear choices then you don't have one.

Yeah.

So I, I think it's the strategy that defines the focus, maybe then, I mean, focus means a million things to a million different people, so there is something there about real clarity of, of the

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vision and knowing, so you can, you can define the, the, the must haves from the nice to haves, and I think very often we all get stuck into a hole, we struggle with that.

Ok. Good, next one. People: Motivating, coach and developing.

Empathy, em, yeah, empathy. Well, I mean ultimately. This is going to come across as apple pie. It's clear definition of values and expectations.

Ok.

Yeah. So if you want, if you want to recruit a bunch of bastards and get them to behave like bastards then then tell them that. Don't tell them you want them to be nice people and then beat them up because they haven't killed the competition.

Ok. Laughs.

So there is something there about, being clear on the sort of people you want in the organisation.

Yeah.

And how, you know how they, how they respond, how you, how you, you know what buttons you're pressing with them.

Yeah. Ok. So clarity on membership and what buttons you're pressing, ok. External mindset: Focusing on customers, governments and key stakeholders?

Yeah, again it's, it's the question of, I mean, external mindset is great, but, you know, not all stakeholders are equal, so who are the must-haves and how vulnerable are you I would say to not securing their mandate, so there is something there about managing risk.

Ok.

And it also made it go back to the mould-braking thing, you know, you might almost say, if you're really in a sort, a sort of anarchic, iconoclast world.

Yeah.

So that people do that almost in defiance of stakeholders, you know, so there is a, that is sort of a, what is the word I am looking for there, it's sort of a counter intuitive in some respects, you know, because in many inventions if you had been a slave to stakeholders you would have discounted them in the cradle.

Yeah, ok.

So there is something there about self-belief actually.

Yeah, ok.

Maybe that's more of the shared vision bit.

Ok, that links into shared vision. Ok. Moving on to accountability: Drive, grasping opportunities with energy, taking on tough challenges?

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Yeah, indeed, I think it's a sort of single mindedness there.

Ok.

At the same time, and maybe this again is kind of my own character, it's where those kind of keep looking over your shoulder, if you're driving into a train wreck, then, you know, full speed ahead, then you know, shame on you if you don't spot it good time, so there is something there about, yeah, drive is great and commitment to the in-game but, you know ultimately, like everything it can be carried to extremes.

Ok, then discipline: Knowing the rules and sticking to them.

Yeah, I would say values wise yes, business model wise no. So it depends on where you are in the organisation, but I think, again, it's something that C1 doesn't do very much of, which is learning by doing, and you know, you, you break the rules and you do it again, and you break the rules and you do it again.

Ok.

Is maybe very appropriate in certain environments...

But what, what competence do you associate here C1 / L8? You said values wise yes, business wise no. Discipline: Knowing the rules and sticking to them. What kind of competency are they looking for there?

Flexibility, I would say is, is something there, and there is also a sort of sensing of, of the market environment, and you know, are those rules, are those rules, somebody who understands when those rules become your own prison basically, think it can do, particularly in some models.

Is there anything here either there or in drive around change or risk tolerance or tolerance?

Yeah, I think, I think that's, I think you're right, you know, that there is something about you know the classic managed risk taking.

Yeah

Where I think, you know, we, and the question is then, how managed is it, how big is the risk. I think it goes back a little bit to what I was saying about, be flexible, be prepared to change things watching over your shoulder, but don't just just take one part and then, you know head north or, until, until whatever.

Ok. Got it.

There is something about sensing about iteration, about a continual questioning on whether or not you've got it right or whether it could be made even better, even if you think you have got it right.

Ok. Delivery: rewarding success and addressing failures.

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Anything extra to that, well I think clear definitions of success and failure are important so again it goes back to the expectations of the organisation on the individual and goes back also to communication.

Ok, so clarity again and communication.

Yeah.

Ok, then moving on to teamwork. Capability: Getting the right skills and using them all? Yeah, I think this is then about, it's again, it's about insight, not only into where you're going to go but how you're going to get there, so it's really having an instinct, well, having a knowledge of what, what it takes and, and having the sort of instinct for the sort of, the sort of people you want in the organisation.

Ok.

I think, you know, what that also then means, typically that's very hard to achieve in one individual, and, and what you tend then to have is the sort of visionary type who is more involved in the, sort of value set of the organisation and maybe someone who is working with them on a more practical basis...

Mhm.

Who is able to pluck in, you know, the skill sets.

Ok.

So there is something there about about breadth of organizational capability of maturity at the top

Ok, yeah, ok. And then finally: Challenging and Supporting: Striving for the right balance?

Yeah, again it goes back to clarity and communication I would say. So, you know, I think, you know neither cosy nor hostile, I mean again the organisation based on the people in it and the value should be reasonably clear of what is hostile. Is hostile, you know, throwing things at people? Or, or is it, is it, is it giving them a bad performance report? Where in that spectrum is it?

Yeah. And that across cultures would be interpreted indeed differently?

Hugely differently.

Yeah. Ok. Perfect, that's fine. Then moving on to b)

### **Q2 b) Matching of Competencies**

To what extent do the behaviors and competences listed here match those that you consider necessary to fulfill your current role, or roles that you fulfilled, that you had in the past C1 / L8. I want to put that on a scale, like if it matches exactly that would be a 1, not at all would be a 4.

So we are on 2b. I would say, well it's probably a 2, I guess it would be a 2. I guess everybody is a 2, are they?



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No .2 is more or less. Matches it more or less?

Yeah, yes it does. I think in terms of the base how you apply the behaviors and competencies varies significantly.

Yeah.

But as, as headlines it probably does, but what is, what I'm missing is, particularly for me is the focus around values and communication, though you can argue that it is wrapped up in a number of these.

Implicitly, yes.

But for me, I would make it more explicit which is why I'm kind of downgrading it a little bit.

Yeah. Ok, we'll come to that what's missing in a moment. I think that's question 4 or whatever. Moving on to question 3.

**Q3 a) Competencies easy to implement**

To what extent are the required competencies easy to implement?

I would say easy.

I've got a scale here just for my own purposes. Very easy is 1, rather easy is 2, quite difficult is 3. So easy = 2. And then comments?

Well, I would say in my current role, it, it's relatively straight forward. It's been around for a while and, and I'm today dealing with essentially a European and principally a North-West European culture.

Ok.

In previous roles, where I've been managing global teams, you know, it would have been a 3 or even a 4. It certainly would have been a three.

Ok, and the stretch would have been due to the different cultures in the team, taking Asia for example, maybe, I don't know Africa whatever other cultures you are talking about?

So, yes, I mean, certainly, if you are looking. if you're expanding from the US to Japan, and you know, it, it, it's not, I don't think it's the values or the headings the different, it's just the need to apply them in very different ways is the challenge.

Yeah, ok.

It's more an implementation issue.

Ok, yeah.

So you know, rewarding success and addressing failures, I mean one would do that very, very differently in the US versus Korea or Philippines (laughs) Brazil.

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**Q3 c) Cultural factors**

Ok, so that answers the second part of question three. To what extent do cultural factors play a role?

Enormous, I would say.

Ok, so you would need then, as a leader cultural literacy? Cross-cultural literacy to be able to implement the behaviors effectively?

I think you need to things: You need, you know, accepting that cultures vary hugely, which is no great insight, so of course you need that, of course you need that sort of awareness. But you also need an incredibly strong, you know, top down, or, a big glue factory as well, so people need to, I think, because I think it is that glue that essentially compromises and I mean that in a positive sense, national cultures and identity, and you know if you look at, you know, C1 employees in Japan, they are not going to be typical Japanese and the hope would be the same would apply to the guys in the US.

Yes.

So it's a way of either modifying or selecting cultural norms in all these different places that are, that are, that are A-typically similar.

So you would, are you saying then, C1 / L8, that the corporate culture at C1 is actually stronger than the national cultures when you refer to this glue?

No, but I would say it, it, it, here I'm talking generically; I would say that it should significantly modify.

Ok.

Either it modifies by selecting an A-typical group within that individual country or culture or indeed it modifies based on learned behaviors.

Ok.

I'm not saying one is stronger than the other, what I'm saying is, that it is really important that there is sufficient strength in the company vision and culture that it, it, it performs significant overlay on the local identity. I think that is important.

Ok, very good. Ok, then moving on to question 4.

**Q4 Additional competencies**

In managing multi-cultural teams, what additional competencies and behaviors are required, I think you have mentioned two which are not included. So the explicit ones of culture you said, no, excuse me, communication and values you said.

Yeah. Additional competencies and behaviors.

That are not mentioned explicitly in the LAT model.

I think of anything...(thinks long and hard)I think it captured it pretty well, Christine.

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Communication however you did say should be mentioned explicitly and values you said, or should I not take that down here?

No I would, I would take it, I mean I think, that, I mean, I mean in different parts of C1 of what the values angle in different, different degrees, so the best example I'm sure is chemicals who have really pushed their values extraordinarily hard, and, and were very careful also to pick values that were relevant globally.

Ok.

(He reads questions again and thinks long and hard) So there is something there about, I mean the other piece, which, I said but it's part of the communication is this whole sort of listening thing and, and being prepared to adjust and, and iterate, you know at the local level compared to, you know but still not compromise global objectives. There is something there about the, about how the leader you, you kind of, you know, the old cliché of think global, act local, how you manage that balance.

Ok.

Which is not explicit, you know, you could argue that is indeed, that should be part of the shared vision.

Yeah.

But you know, do, do, do shared visions typically get you to that point, do they say this is, you know, if we are, if we are, if we are Mc Donald's this is how far we are prepared to flex to meet the local market within this box, I don't know.

Mhm.

But, yeah, so that might be something. And that's more than just about communication, that's about vision and strategy.

Ok.

Again on the assumption that you're trying to create synergy, you're trying to create leverage in critical mass by having this multinational organisation.

Do you think it's an omission not to have anything around culture in, in such a model? Culture, diversity, or is that inherent, is that implicit, is or should it be explicitly mentioned somewhere?

Well I guess the culture bit is kind of the closest that I, I would link there a little bit to the values piece.

Ok. So you put that in under?

I, I would put it in under values.

Ok.

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But I think that's also to my mind part of the shared vision, because I would look at shared vision to define desired behaviors, this is what we want to achieve, this is how we want to achieve it in the market place and, and, and working, you know, these are the, the, the attributes of what a winning organisation has, you know, in our company.

I, yeah, ok, but I wonder is that read or interpreted shared vision to that extent by the majority of leaders within the C1 organisation?

I don't think so.

No.

I don't think so, well I think it's not. It's not.

Ok. Then, finally, C1 / L8, last question.

**Q5 a) Sense of universal model**

In view of the continued globalisation, do you feel it make sense, firstly, yes or no, to have one universal model, for all regions, and if so, yes or no, and if so, why?

Yes.

Yes it does.

Yes it does because again it goes back to, you are looking for, you are looking to create a, why are you a multinational company? And if you, if you, if you say there is a logic behind creating, you know, synergy of rolling out global business models, I think it's entirely sensible, and here I'm looking at, I'm talking about GE or whatever where they got very, very different global businesses, that's, you know, within a multinational business, if you take an organisation like C1 I think, it's entirely sensible to have a universal leadership model because ultimately it is that which drives behaviors and the behaviors basically will drive the business, so the answer is yes. The challenge then comes in as you said earlier, how you translate that.

Mmm.

(He reads the question again) So this is about knowing, I don't want to be too mechanistic about it. These are the, a, you know for this attribute it could be integrity.

Yes.

You know, so sorry there is no cultural flex on this whatsoever guys.

Yeah.

If it is about, I don't know, customer intimacy on, in marketing, then, you know, indeed you might say, well, no, on this basis, it's down to you guys, you know, what the hell you do.

Yes.

At the other extreme. And as long as you use our procurement people and you' want to sell, you know, curry burgers in Delhi, it's up to you friends.

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Yes, ok. So you're saying they should be made, I mean the competencies associated, the competencies should be made more explicit, more accessible there by the individual?

Yeah I think the question is of knowing within your, within your leadership model, are there any, you know, be very clear about the non negotiable.

Yeah. And where you believe there is need to flex in response to cultural, local norms, you know, what that flex, how far that flex extends, yeah?

Because ultimately I think we are all struggling with finding that balance between a global model and, and something which recognises still very profound differences between individual markets...

Yeah. Ok.

So I think that's, that's the challenge, you know, how do you, what, what's the organisational intelligence as it were? Or the organisational maturity to have those discussions, cause it's all too easy of course when people are confronted with complexity, if they, they basically just say no, you know. You get into tell mode very easily.

Yeah.

You know, and, and, you know, you would obviously comparing us let's say, you know, ourselves with Exxon, where, you know, they are much more, pretty well everything is non negotiable.

Yeah.

Whereas C1 tends rightly or wrongly to be much more touchy feely at the local level.

Mm. Good. And just on the side, C1 / L8, what is your feel on global leadership within C1? How many, do you have a good proportion of good global leaders, of effective global leadership competencies in the organisation?

Well we have lots of competencies, of course, whether we have good leaders.

Global leaders, global leadership competencies?

Yes, well I would say it's, it's getting better, we, I, I can, I think especially, what I struggle with is visibility, and, you know, in such a huge organisation that how, how leaders, global leaders, true global leaders make themselves accessible, but I don't mean that in a physical sense.

Yeah.

How they make themselves accessible, how their own DNA as it were sort of permeates their organisation, how they expose themselves in a way that people, you know.

Identify themselves, yeah.

Instead of fear and respect which has been, even at C1 a more traditional, you know, we need to get away I think from this sort of seniority deference, sort of deference by default to something which is much more personal. And I think that's where certainly at C1 we still

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struggle with, how people expose themselves as people without them feeling they have compromised their strength to the leader...

Yeah.

And there is, I think there is still a big bridge that we need to cross.

Ok. We're finished.

Does that make sense?

That makes absolute sense.

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C2 / L2 (black)

Interviewer: Christine McCarthy (blue)

So, also zuerst, wieso hast Du, nur nebenbei, also bevor wir aufnehmen, wieso hast Du spontan gedacht, sind die wahnsinnig? Bei diesem Kompetenzmodell, was ist Dein erster Eindruck gewesen?

Man kann doch nicht so viele Punkte dahin schreiben. Man muss das doch mal auf den Punkt bringen, was einem wichtig ist, und nicht so, sich so verzetteln.

### **Q1 Grundlegende Kompetenzen und Verhaltensweisen**

Ja, ja, ja, ok. Dann sind wir, dann sind wir einer Meinung. Weil, ich meine, ich hab verschiedene, im Laufe meiner Doktorarbeit, verschiedene Modelle jetzt durch, also untersucht und das ist natürlich wieder eine 180 Prozent Vorgehensweise hier, wo man alles hineingepackt hat und dadurch natürlich eine gewisse Momentum verliert glaube ich. Aber wir legen los. So, Nummer 1: Auf Grund Deiner Erfahrung, beschreib bitte die Kompetenzen und Verhaltensweisen, die ausschlaggebend sind um in einem multinationalen Umfeld, ein Team oder ein Unternehmen zu führen? Welche Kompetenzen und Verhaltensweisen gehören Deiner Meinung nach, C2 / L2, dazu?

Also was mir hilft, geholfen hat, ist zu erkennen, dass wenn ich mit anderen Kulturen umgehe und ich mich auf mein „Mensch-sein“ konzentriere und auf die grundsätzlichen Eigenschaften die ein Mensch hat, und das auch den anderen dann entgegenbringe, dass das am besten funktioniert weil uns das allen gemeinsam ist. Also ich meine damit, dass man menschlich auftritt, dass man authentisch ist, dass man offen und ehrlich ist, dass man dem anderen Vertrauen schenkt.

Mmm.

Und dann auch das zurück bekommt. Das man, wenn man da so runtergeht auf die Basics, dass man, dass man merkt, dass eigentlich alle das gemeinsam haben.

Mmm.

Dass man da schnell eine Ebene findet.

Mhm, ja. Also ich hab da entnommen jetzt, also: Authent, Authenti, wie heißt das auf Deutsch? Authentizität oder authentische?

Authentisch.

Authentisch, menschlich.

Menschlich, ja.

Vertrauenswürdig, Vertrauen schenkend und entgegenbringen.

Und offen sein und ehrlich sein.

Offen und ehrlich. Ok. Gehören weitere Kompetenzen um ein Team zu leiten im internationalen Umfeld dazu?

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Als, als zweites, ja. Wenn man, wenn man das mal sagt, das bringt man mit und das hat man, dann ist natürlich ganz wichtig, dass ich auch ein bisschen motivieren kann.

Ok.

Dass ich ein bisschen eine Leidenschaft habe, und das auch zeigen kann.

Ja.

Das, das spüren die Leute dann auch ob ich wirklich, mich voll einsetze und da dabei bin.

Mmm.

Oder ob das nur aufgesetzt ist.

Mmm.

Aber das hat auch wieder was damit zu tun, dass ich jetzt nicht irgendwie was vorgebe, was ich gar nicht bin.

Ja, ja.

Aber um zu motivieren brauche ich ein gewisses Maß an Energie, die ich dann da reinstecken muss.

Mmm. Ok, sehr schön. Weitere Kompetenzen, C2 / L2, oder war das das?

Ja, also ich kann das auf Basics reduzieren.

Ok, sehr schön, ok. Dann weiter mit Frage 2.

### **Q2 a) Assoziierte Kompetenzen**

Jetzt sind wir direkt bei den 38 Kompetenzen, allein in dem Leadership Bereich in dem Kompetenzmodell C2.

Ja.

So, welche Kompetenzen und Eigenschaften assoziiert Du mit den einzelnen gelisteten Behaviours? Jetzt ist die Frage, hast Du Dir E und F durchgelesen?

Ich hab sie gelesen, ja.

Du hast die gelesen. Möchtest Du mir sagen, was Dir da eingefallen ist, oder sollen wir systematisch da vorgehen?

Nein um Gottes willen, also.

Ja.

Man kann nicht das Satz für Satz durchgehen und dann da sagen, was steckt da eigentlich drin. Die wenn das einfach mit den Überschriften, und einer kurzen Erklärung, einem Satz gemacht hätten, dann könnte man das viel kürzer fassen, ja. Und es, es stecken ja auch in diesen Kapiteln, diesen vier Blöcken stecken ja auch solche Sachen drin wie ich jetzt gesagt hab, ja. Zum Beispiel motivieren können.



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Mmm.

Oder vertrauensvoll zusammenarbeiten. Dem anderen Wertschätzung entgegenbringen. Unterschiede in der Kultur berücksichtigen. Das steht, das steht schon drin, oder dass man, oder wenn sie da schreiben, also: Lösungsorientiert zum Beispiel.

Mmm.

Ja, das sind ja alles gute Sachen.

Mmm.

Ja, sie meinen es schon gut, denke ich, aber sie verwässern es zu sehr.

Also es ist zu viel Details?

Zu viele Details, ja.

Ok. Wenn wir F, also E1 und E2 und F1 und F2 uns anschauen, einfach jetzt die Überbegriffe. Unter E haben wir Mitarbeiter und Teams erfolgreich machen.

Ja.

Mitarbeiter motivieren und entwickeln.

Ja.

Und dann Orientierung geben und Leistung managen. Also erst mal Mitarbeiter motivieren und entwickeln. Und dann haben die da 11 Behaviours.

Mhm.

Die dazu gehören.

Also ich kann Dir nur sagen was ich mir da unterstrichen hab, was mir da wichtig ist.

Ja, bitte.

Das kann ich zum Beispiel sagen, ich hab Motivation von Mitarbeitern, ja, das habe ich unterstrichen. Vertrauensvolle Zusammenarbeit, gegenseitige Wertschätzung und Teamgeist bei Berücksichtigung kultureller Unterschiede, Vielfalt. Gibt Mitarbeitern ehrliches und detailliertes Feedback. Spricht Konflikte an, und dann am Schluss: Vernetzung im Team, schafft fachliche und soziale Synergien, das finde ich ist mir wichtig.

Mmm.

In meiner Arbeit auch.

Mmm.

Das habe ich mir unterstrichen.

Ok.

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Und den Rest kann man echt, das gehört dann einfach auch dazu, das muss man ja nicht alles listen.

Ja, ja, ich verstehe.

So, bei E2 habe ich unterstrichen: durch kontinuierlichen Dialog und Feedback Leistung steuern, ja, damit der Mitarbeiter immer weiß wo er steht, das ist einfach ganz wichtig. Den nicht, den nicht zu verlieren.

Welche hast Du unterstrichen bei E2, C2 / L2, bitte?

Steuert Leistung – auch unterjährig –

Ok.

Durch kontinuierlichen Dialog und Feedback. Das ist vor allem im internationalen Umfeld ist das so wichtig, ständig diesen Kontakt zu halten und zu sagen, wo stehst Du, wo bist Du.

Mmm.

Vor allem in diesen, in diesen virtuellen Teams dann, musst Du schauen, dass Du da dran bleibst, ja, sonst schläft das ein.

Ok.

Und dann einfach fair und gerecht sein. Also bewerte Leistung fair und gerecht, das ist auch wieder sowas Grundsätzliches was einfach zum, zu einem guten Manager gehört, dass der auch fair und gerecht ist.

Ja, ok, ok.

So wie er mit seiner Familie auch umgehen würde.

Ja, ja, ok, sehr schön. Ok, und dann mit F weiter, also nur F1 und F2. Wichtig für Dich, also: Das Unternehmen erfolgreich machen, also: Kundenorientierte Strategien entwickeln und umsetzen?

Ja.

Was hast Du da raus gepickt?

Also Kunden- und Leistungsorientiert habe ich mir raus gepickt, aber auch: schafft eine Kultur die auch außergewöhnliche und kreative Lösungen zulässt.

Mmm.

Das ist gerade für C2 etwas ganz, ganz wichtiges. Dass sie auch in diese Richtung hin bewegen.

Das heißt, nochmal, zur Verdeutlichung, das heißt das sollte C2 als sehr wichtig nehmen oder das nimmt C2 zur Zeit? Weil in der Vergangenheit war das eher nicht so, oder?

Eben. Also sie sollte das herausstreichen und nicht als eins, zwei, drei, vier, fünf, sechs, sechsten Punkt da hinten verstecken, ja. Das ist für sie ganz wichtig und das ist auch im

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internationalen Umfeld etwas, was sie dann von den anderen auch lernen kann, wo sie da deutlich machen kann, dass die anderen da auch ein, einen großen Beitrag liefern können, wenn sie da was reinbringen.

Ja.

Weil es ist ja nicht so ne, so ne Einbahnstraße, wir haben jetzt ein globales Umfeld und wir exportieren unsere deutsche Kultur nach draußen, im Gegenteil, das ist ein Punkt da können wir von den anderen viel lernen, mit diesem kreativ und außergewöhnlich, ja mal was anderes denken.

Mmm, ja, ok.

Weil kostenbewusst sind wir schon, ja, das muss man auch nicht immer wieder betonen.

Ja, ja, ja.

Und Management Verantwortung konsequent leben.

Wo bist Du jetzt? Auch bei F1 oder? Ne, Du bist bei dem Überbegriff F2, ok. Was hast Du da raus gepickt, allein diese Heading: Managementverantwortung, erachtest Du das als, als, als sinnvoll, als wichtig? Managementverantwortung konsequent leben?

Ja, die, die Konsequenz da drin, ja, das ist sehr wichtig.

Ok.

Das ist auch etwas wo, wo wir einfach schwach sind, mit der Konsequenz.

Das heißt bei unzureichender Leistung wird nicht immer?

Bist Du eben nicht konsequent.

Ja, ja, ok.

Also Konsequenz und auch Glaubwürdigkeit, aber nur wenn ich wirklich konsequent bin habe ich auch diese Glaubwürdigkeit.

Höre ich da implizit bei Dir dass einige Behaviors zwar da stehen, aber werden momentan nicht richtig gelebt?

Ja, und deswegen gefällt es mir nicht, dass die so untergehen in so einem Sumpf von vielen Behaviors, ja, so dass sich die Leute dann wieder auf das konzentrieren, was sie sowieso schon tun und gut tun.

Mmm, ja, ja.

Wenn das knackiger formuliert wäre und man sich konzentrieren würde auf das was man, was man auch ändern will, was man stärken will.

Widerspiegelt dieses neue Kompetenzmodell die erwünschte Verhaltensweise die im Change, also Change Programm enthalten sind? Oder ist das teilweise eine Reflektion von der alten Kultur durch die Menge und Komplikation?

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Es ist beides drin, nicht? Es ist drin, was wir schon tun und auch gut tun, und es ist drin was man sich im Rahmen von dem Change Programm wünscht.

Es ist auch enthalten?

Ja, aber guck mal hin. Es ist dann einfach so, immer wieder auch ein bisschen hinten und dadurch dass es so, so viele Punkte sind finde ich wird es ein bisschen verwässert.

Ja, ist das beabsichtigt?

Das weiß ich nicht. Ich glaub es ist einfach dieser, dieses Deutsche, dass wir alles so 100%ig dann da stehen haben wollen.

Ja, ja.

Dadurch verwässern wir es wieder, ja.

Verliert man das Essenzielle?

Ich mag das so gern an meinen Londoner Kollegen, ja, die sagen immer das muss punchy sein.

Und diese Liste ist nicht punchy?

Ist nicht punchy, nein, genau.

Die ist nicht punchy, ok. Gibt es weitere Punkte unter F2, die Du Dir herausgenommen hast?

Ja, glaubwürdiges Vorbild, verfolgt die Ziele konsequent, auch gegen Widerstand, denkt und handelt in Lösungen, das ist ganz wichtig für uns, nicht bloß immer über die Probleme lamentieren.

Mmm.

Die Dinge müssen nachvollziehbar sein, das gefällt mir. Und das letzte: zeigt sich offen und wertschätzend gegenüber fremden Kulturen.

Kultur.

Finde ich sehr schade, dass das der letzte Punkt ist.

Ist das auch aktiv genug in der Sprache, in der Wortwahl? Zeigt sich offen und wertschätzend gegenüber fremden Kulturen, die, die Vorgehensweise oder unterschiedliche Vorgehensweise oder, es fehlt, oder?

Ja, nicht nur das, also was mir in dem Ganzen noch fehlt ist dass wir da zu wenig ganz klare Dinge mal fordern. Also dass ich zum Beispiel von jemand auf Management-Ebene fordere, dass er auch einmal im Ausland ist, ja, und wenn es, es geht vielleicht nicht immer dass der dann gleich eine Entsendung kriegt, ja, das kann ich jetzt vielleicht nicht machen, aber ich kann doch mal machen, dass der mal 3 Monate ins Ausland geht, und, und dann mal mitkriegt wie das da bei denen läuft.

Tatsächlich läuft.

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Ja, und da mal so, also auch ganz konkrete Anforderungen hier drinnen sind, wo man sieht die meinen das mit der Globalisierung auch erst.

Ja.

Und wollen sich auch wirklich damit auseinander setzten wie die anderen sind. Und das ist ja die Basis dafür, dass es auch tatsächlich funktioniert und wenn wir das nicht tun, wird's auch nicht gehen.

Ja, das ist, ja, ja, ja. Ja, ja, ok. Weitere Punkte dazu oder können wir weitermachen?

Ja, weiter.

Ok, C2 / L2 nur eins, am Anfang, ganz am Anfang bei der Einführung für die, also die Introductions des Kompetenzmodell stehen da, also auf Seite 2 5 5 steht: Die Formulierung, also, insgesamt gibt es 6 Kompetenzbereiche, die alle Geschäftsorientiert sind und durch die anspruchsvolle Formulierung den Wert Ehrgeiz unterstützen und innerhalb jedes Kompetenzbereichs ist zu dem je eine Kompetenz beschrieben, die eher die Kulturleitlinie neugierig beziehungsweise Konsequenz, konsequent beschreibt. Also Ehrgeiz, neugierig und konsequent. Was sagen Dir diese drei Attribute? Wieso stehen die so prominent da? Wie interpretierst Du das? Ehrgeiz, Neugier, neugierig und Konsequenz?

Also ich glaube dass man erkannt hat, dass das einfach Schwächen sind, die wir haben. Mangelnder Ehrgeiz, mangelnde Neugier und mangelnde Konsequenz.

Ok.

Dass das der typische C2 Arbeiter diese Schwächen hat. Vielleicht nicht gleich alle drei, aber vielleicht das eine oder das andere. Das, das das wissen sie und deswegen denke ich haben die das so vorangestellt.

Und werden diese drei Attribute erkenntlich in den 38 Behaviours in Führung? Merkt man das? Zieht sich das da durch? Oder verliert sich das auch, diese Neugier, Ehrgeiz und Konsequenz?

Neugier und Ehrgeiz finde ich weniger, Konsequenz finde ich, ja, Konsequenz finde ich schon gelistet.

Ok.

In E und F.

Ok, gut, sehr gut. Ok, jetzt weiter mit b), Frage b)

### **Q2 b) Übereinstimmung der Kompetenzen**

Mit welcher, also in welchem Ausmaß stimmen die im Kompetenzmodell gelisteten Behaviors und Kompetenzen mit den von Dir als notwendig erachteten überein? Um Deine jetzige Führungsrolle zu erfüllen?

Lass mich so sagen, das was ich jeweils unterstrichen habe.

Ja.

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Und was wir nochmal so gesagt haben, das sind die Sachen, die quasi sich decken.

Ja, ja. Ich habe hier eine Skala von 1, wäre die stimmen genau überein, 2 ist mehr oder weniger, 3 ist geringfügig und 4 ist die stimmen überhaupt nicht überein.

Mmm.

Wie würdest, was würdest Du auf Grund von was Du gesagt hast, wie die untergehen ein bisschen, wie würdest Du das bewerten? Stimmen die genau, mehr oder weniger, geringfügig oder überhaupt nicht?

Ja, ich würde eher auf 2 dann gehen.

Mehr oder weniger, ok, gut. Ok, C2 / L2, bitte.

### **Q3 a) Implementierung der Kompetenzen**

Findest Du, dass die in dem Kompetenzmodell beschriebenen Behaviors und Kompetenzen leicht in Teams für die Du verantwortlich bist implementiert werden können? Sind die leicht zu implementieren?

Nein.

Nein. Und warum? Welche Herausforderungen sind da zu erwarten?

Also man müsste das schon erst einmal verständlich umformulieren und verständlich übersetzen, ja.

Du meinst kulturell übersetzen? Oder überhaupt übersetzen?

Beides, also übersetzen in etwas was, was nicht mehr so einen totschlägt, wenn man es anbietet, dass die Leute, man muss es auch besser erklären, man muss es kürzer machen und aber auch prägnanter, dass man, dass man mitbekommt was meinen die überhaupt und dann muss man halt ich denke auch schon solche kulturellen Dinge noch mehr mit rein bringen. Unterschiede.

Mmm, ja.

Also dass dieses Modell dann auf den Südafrikaner passt, und den Londoner passt das, das glaub ich nicht.

Mmm. Das heißt also die kulturellen Faktoren in so einem Modell, wenn man versucht ein globales Unternehmen zu führen spielen da eine deutliche Rolle für Dich?

Ja.

Ok. Weitere Kommentare in diesem Bereich? Oder ist das ok?

Du bist jetzt F4, gell?

Ich, ja, ich bin, wo war ich jetzt, Moment, ich habe meine eigene Tabelle. Das war jetzt Frage 3. Ich war noch bei Frage 3.

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Ok.

Ja? Ok, wenn Du da diese Frage 3 mit einer Skala wieder, also lassen sie sich leicht implementiere, 1 wäre sehr leicht, 2 mäßig und, und 4 wäre sehr schwierig? 3 schwierig und 4 sehr schwierig?

3.

3, ja. Schade eigentlich, schade. Ok, dann Frage 4.

### **Q4 Zusätzliche Kompetenzen**

Ja, gibt es Deiner Ansicht nach weitere Kompetenzen oder Verhaltensweisen, die nicht in dem Kompetenzmodell enthalten sind, die aber notwendig sind, um das führen und leiten von multikulturellen Teams? Gibt es weitere Kompetenzen? Oder möchtest Du die Frage anders beantworten, vielleicht nicht weitere sondern knackigere? Also klarere? Was fehlt Dir bei dem Modell?

Also was mir halt wirklich fehlt, ist, dass man, dass man fordert, dass die Leute, die solche Teams führen und eben so einer leitenden Position sind, dass die auch wirklich Auslandserfahrung haben. Alles andere ist für mich die, zu viel Theorie, ja, das ist vielleicht gut gemeint, aber da meine ich, da meinen sie es nicht so ganz ernst mit ihrem Ansatz.

Ja.

Auch wirklich offen zu sein, und nicht doch bloß zu versuchen unsere Art und Weise zu exportieren.

Mmm.

Und wir können nicht aus dem ganzen globalen Zeit, können wir nicht lauter Deutsche machen, das geht nicht.

Ne.

Das wollen wir ja auch gar nicht.

Könnte man aber ab und zu meinen. Ne, ok. So, ok. Frage 5.

### **Q5 a) Sinn eines universellen Modells**

Im Anbetracht der fortgeschrittenen Globalisierung bei C2, findest Du, ein universales Leadership Modell für alle Regionen sinnvoll? Das heißt das gleiche Modell wird in London, wird in Südafrika etc. also eingeführt. Findest du das erst mal erstrebenswert? Ja oder nein? Und dann ein paar Details dazu.

Also was ich mir vorstellen kann ist, dass man etwas sehr abgespecktes findet, so einen gemeinsamen Nenner wo man sagt, das, das ist etwas mit dem müssten sich eigentlich alle identifizieren können, ja. Das ist aber dann wirklich punchy, ja.

Ja.

Die Basics, wo wir sagen das wollen wir C2 global erreichen.

Mmm.

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Und auch, und auch anstreben. Und dann jeweils zeitspezifisch die Unterschiede zulassen. Das darf dann unterschiedlich auch sein, weil die unterschiedlich sind. Aber ich denke, wir brauchen schon einen gemeinsamen Nenner.

Also ihr braucht schon ein universelles Modell, das würdest Du schon sagen?

Ja.

Aber, aber nicht ein ausgedapptes, detailliertes 100 Punkte Modell.

Mmm, ja, ja. So, und meine letzte Frage b).

### **Q5 b) Faktoren**

Also welche Faktoren würden dann sicherstellen, dass dieses Modell, Du hast es bereits fast beantwortet in der multinationalen Umwelt gleich wirkungsvoll und erfolgreich ist?

Ja, dass es schlank formuliert ist, dass es sich auf das Wesentliche konzentriert, mit dem sich dann alle identifizieren können und aber auch dann kulturelle Unterschiede ergänzend zulässt und ich glaube dann lassen sich die Leute auch drauf ein.

Ja.

Wenn man anerkennt, dass wir nicht alle in den gleichen Sack stecken wollen.

Ja, es wäre vielleicht sinnvoll, vielleicht Deiner Meinung nach, dass andere Ländern mit an so einem Modell arbeiten würden?

Ja, unbedingt.

Weitere Kommentare, C2 / L2? Ich meine, wir sind jetzt mit den Fragen fertig. Wenn Du etwas anderes festgehalten, festhalten möchtest, nehme ich das gerne mit auf.

Also in meiner, meiner ganzen bisherigen Arbeit habe ich grundsätzlich mich erst mal mit den Londonern zusammen hingestellt und habe mal ein Brainstorming gemacht.

Mmm.

Und deren Sicht mit reingebracht, ja.

Mmm.

Und dann versucht, das was wir jetzt gemeinsam gemacht haben mit den anderen abzustimmen.

Mmm.

Und das ist vielleicht, vielleicht ist es zunächst mal ein bisschen mühsam.

Ja, klar.

Aber nachher hat man etwas, was dann auch wirkt.



Ja, natürlich.

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Und das lohnt sich.

Auf jeden Fall.

Also, ja, man muss die Sachen schon gemeinsam machen, man kommt dann aber auch besser rüber.

Auf jeden Fall.

Das habe ich von Dir gelernt.

Ja, ich schalte jetzt aus.

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C2 / L6 (black)

Interviewer: Christine McCarthy (blue)

Ja, ok. Ja ich hatte bereits ein Interview auch mit dem Kollegen geführt in HR.

Genau, hier, der ist genau mein Nachbar in meinem Zimmer.

Ja. Wie lange sind Sie schon bei der Münchener Rück?

Seit 16 Jahren etwa.

Ok. Und im Personalbereich?

Genau.

**Q1 Grundlegende Kompetenzen und Verhaltensweisen**

Ok, dann, gut, also, Frage Nummer 1, C2 / L6. Auf Grund Ihrer eigenen persönlichen Erfahrung, beschreiben Sie bitte die Kompetenzen und Verhaltensweisen, die Ihrer Meinung nach ausschlaggebend sind um in einem multinationalen Umfeld zu agieren beziehungsweise ein Team zu leiten in einem multinationalen Umfeld?

Also ich würde zwei Dinge ganz, ganz, zuerst sagen. Und das ist einmal ein Vertrauensverhältnis aufzubauen.

Mmm.

Persönliches Vertrauen zu finden zu einander, sich persönlich gut zu kennen. Ich habe die Erfahrung gemacht, dass erst nach einer Weile nachdem wir uns öfter persönlich gesprochen hatten und Meetings gemacht haben und auch mal nach den Meetings zusammengeblieben sind, sich so eine Atmosphäre entwickelt hat, wo man sich wirklich vertraut.

Mmm.

Und die Barrieren, die jeder so mit sich rumträgt, so ein bisschen abgebaut sind.

Mmm.

Ab da sind wir dann produktiv geworden, und ich spreche von einem Team von HR Leuten auf der ganzen Welt, wo auch der Kollege dabei war, also aus allen Kontinenten, mit denen haben wir zusammengearbeitet, das Team habe ich geleitet.

Mmm. Und wenn Sie sagen sich persönlich kennenlernen, Sie meinen dann wirklich face2face, dass face2face Kontakt dann unerlässlich ist?

Ja, face2face, also ich kanns, Vertrauen ist die, die Kompetenz.

Ja, richtig.

Ist das Niveau was wir erreichen müssen und Vertrauen kann ich denk ich nur erreichen, indem ich die Person persönlich kenne.

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Ja. Okey doke.

Ja, da funktionieren die Medien dann nicht mehr.

Mmm, ok.

Die ja letztlich nur für Informationsaustausch und Argumentationen, aber an dem, in dem Augenblick wo wir auf der persönlichen Ebene sind...

Mmm.

Muss man sich kennen.

Ok.

Das ist ein Grundprinzip für alle Menschen. Wie kann ich Vertrauen zu jemand gewinnen, dem ich nur E-Mails schicke oder mit dem ich nur telefoniere?

Ok, okey doke, gibt es weitere Kompetenzen?

Ja, also lernen, Lernen ist für mich eine ganz, Lernbreitschaft wie man sagt oder Offenheit für Lernen, ist für mich eine riesen Kompetenz. Es war schon eine sehr starke Erfahrung auch auf meiner Seite, wie intensiv man mit einfach anderem Denken und mit anderer Herangehensweise konfrontiert wird, was einen zunächst mal irritiert, und manchmal sogar ärgert.

Mmm.

Warum machen die das so?

Ja, richtig.

Was wollen sie damit erreichen? Und erst auf einen zweiten, oder dritten Blick man dann erkennt, dass der Spiegel gerade vorgehalten wird und dass es eben Alternativen gibt und die genauso gut sein können.

Mmm.

Und man auch über den Schatten springen muss an der Stelle, ich sitze im Headquarter und Du sitzt in der Tochtergesellschaft, ja, also diese, diese Machtdistanz auch, sozusagen aufzulösen.

Ja.

Und anzunehmen dass ein, einfach unterschiedliche, sehr unterschiedliche Perspektiven auf ein Problem geben kann und sehr unterschiedliche Antworten auch geben kann und das nicht, sozusagen Politik ist was, was da betrieben wird, sondern einfach wirklich Unterschiede sind, die, die, die da sind und mit denen man umgehen muss und die im, im besten Fall auf jeden Fall eine Chance bedeuten daraus was zu lernen.

Gut, das ist sehr interessant, das fällt bei Ihnen jetzt unter Lernbereitschaft, aber höre ich auch implizit eine Kompetenz in Flexibilität auch?

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Ja.

In der Vorgehensweise vielleicht?

Ja, genaue, ich habe mir als, ich glaube das fällt alles in die selbe Kategorie, ich habe auch Offenheit hier als mein Stichwort stehen.

Ja.

Es ist, es ist meine Erfahrung, dass diese Offenheit und diese Flexibilität, das sich darauf einlassen, dass das Gewohnte nicht mehr auf jeden Fall funktionieren wird, das ist eine ganz wichtige Voraussetzung.

Ja.

Um voranzukommen im interkulturellen Umfeld.

Ok, mmm, sehr schön. Weitere Kompetenzen?

Ich habe Teamarbeit noch.

Mm.

Als eine, Fähigkeit zur Teamarbeit, als eine Kompetenz da, die ist denk ich leicht nachvollziehbar.

Mmm.

Vielleicht, noch, auch noch einmal auf das Thema beziehen, wenn wir interkulturell arbeiten sind wir ja nicht hierarchiefrei, ja...

Ja.

Wie gesagt, es gibt Leute die sitzen im, im Headquarter, es gibt Leute die sitzen in der Tochtergesellschaft, es gibt große Töchter, es gibt kleine Töchter.

Mmm.

Es gibt Native Speaker, es gibt Non Native Speaker, wir sprechen also nicht immer alle Englisch.

Ja.

Vieles sind dann sehr still.

Mmm.

Und das im Team vernünftig zusammen zu kriegen, dass wir diese unterschiedlichen Ebenen haben.

Ja.

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Und sich wirklich neben einander zu stellen, mmm, wenn einem das gelingt ist es eine gute Kompetenz eigentlich, sag ich jetzt mal, ja. Und es muss einem irgendwie gelingen das zu tun.

Dürfte ich das unter Diversity & Inclusion als Kompetenz tun? Also, Sie haben verschiedene Diversitäten genannt also Sprache, ja, verschiedene Businesses, verschiedene Regionen, das wäre Diversity & Inclusion das man einfach das mit einbezieht und das lebt.

Ja, das ist sicher, ja, kann man darunter tun.

Ja.

Ich glaub man, man, man muss, ich muss sogar ein, eine weitere Kompetenzs, das ist tatsächlich die ganz schönede Sprachkompetenz.

Ja, ja.

Es ist einfach unerlässlich...

Mmm.

Dass man sehr gut Englisch spricht, ja. Jetzt jedenfalls in den allermeisten Situationen.

Ja.

Das ist, das ist sicherlich eine Kompetenz und mir fällt gleich noch ne weitere ein.

Mmm.

Der kulturelle Respekt voreinander ist wichtig.

Ja.

Also ich muss sehr respektvoll umgehen mit dem was ich da erfahre.

Ja.

In den, in den unterschiedlichen Varianten, das finde ich auch wichtig wenn Kollegen jetzt zum Beispiel zu uns nach Deutschland kommen, dass die auch respektvoll mit unserer Kultur umgehen, also da merke ich auch wie ich selber reagiere wenn das nicht der Fall ist.

Ja.

Und wir hier, sag ich mal, schon 20 mal uns hier in, in München oder in Deutschland getroffen haben, und jemand immer noch nicht auf Wiedersehen sagen kann, sondern einfach konsequent nur Englisch spricht, dann finde ich das auch ein Stück weit respektlos.

Mmm.

Sprachkompetenz an der Stelle.

Gut, also interkulturelle Kompetenz sowie Sprachkomptenz.

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Ja.

Mmm. Sehr schön, ok?

Das wäre meine Liste.

Sehr schön. Dann machen wir weiter mit Frage 2. Die ist etws umfangreicher, weil...

**Q2 a) Assoziierte Kompetenzen**

Es bezieht sich hier auf das C2 Kompetenzmodell undda sind die zwei Sections E und F.

Ja.

Von Interesse.

Ja.

Da sind aber 38 Behaviors enthalten.

Ja.

Und Ziel meiner Arbeit ist herauszufinden, was versteht der einzelne unter die Verhaltensweisen, die da gelistet sind, welche Kompetenz muss man haben oder steckt dahinter, um dieses Behavior auszuleben. Also weil ich überprüfe, ob die Kompetenzen gleich in jeder Region so verstanden werden.

Mmm, ok.

Ja? Ich habe Ihnen gestern, vorgestern vielleicht eine Tabelle geschickt.

Mmm.

Ich weiß nicht ob Sie das ausgedruckt haben? Oder vorliegen haben?

Das Kompetenzmodell meine Sie?

Ne, ich habe das in eine, eine Tabelle eingefügt. Aber wir können gerne auch an Hand von dem Kompetenzmodell, wenn Sie das nicht ausgedruckt haben, das ist nicht...

Doch, ich habe eine Tabelle hier, ich habe mir das ausgedruckt, aber die hab ich jetzt...

Weil dann geht's schneller.

Ok, wollen wir es einfach durchgehen?

Ja, genau, also E1 zum Beispiel, Mitarbeiter motivieren und entwickeln. Sie lesen einfach bitte die erste Kompetenz, oder die erste Verhaltensweise, entschuldigen Sie bitte, durch, und dann sagen Sie mir, welche Kompetenz dahinter steckt, Ihrer Meinung nach, und dann gleich Frage 3 mitbeantworten, wie leicht sich das umsetzen lässt.

Mmm, mmm.

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Ja?

Also.

Aber wir können das relativ zügig, Sie brauchen gar nicht jetzt so detailliert oder lang. Einfach Ihr Bauchgefühl spontan, was steckt dahinter.

Ja, ok, ermutigt Mitarbeiter... (er liest) Motivationsfähigkeit.

Ja.

4.

Ok.

Fördert die Motivation... (er liest) Führungsfähigkeit.

Mmm.

3.

Ok.

(Er liest) Ja bei drei, das wäre so etwas wie echte Leadership, ja?

Mmm.

Also auch persönliche Leadership.

Ja.

Und, mmm, 4. Fördert vertrauensvolle... (er liest) Persönliche Kompetenz.

Ja.

Und 3.

Sehr schön, ok.

Mitarbeitern ehrliches... (er liest) Ist Führungsfähigkeit, also eher was Lernbares würde ich mal sagen.

Mmm.

2. Spricht konflikte... (er liest) Wenn ich Konfliktfähigkeit sage, passt...

Das ist perfekt, das ist perfekt, genau das.

Das ist 3. Siebtens, schafft Lernchancen, ja, Entwicklungsarbeit leisten, also entwickeln...

Mmm.

Ist auch 3.

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Ok.

Dann der Wissensmanager ist acht, Management von Wissen.

Ja.

Ist auch 3.

Mmm.

Dann der Potentialentwickler, oder der Nachwuchsentwickler.

Mmm.

Bei neunten ist 2.

2, ok.

10 ist auch Nachwuchsentwickler oder...

Ja.

Ist auch 2.

2 haben Sie gesagt?

2, ja. Und elften, achtet... (er liest) Ja, ist der Teamentwickler, mmm, die Kompetenz und das ist 3.

3, ok, sehr schön. Dann weiter mit E2, Performance Management, Orientierung geben und Leistung managen.

Mmm. Also Orientierung geben ist das erste, die Kompetenz, und das ist 3.

Mmm.

Performance managen ist zweitens und Leistungserwartung und anspruchsvolle Ziele....oder sagen wir mal Ziele setzen, Erwartung und Ziele setzen ist die Kompetenz, das ist 2.

Ja.

Kooperation ist drittens und das ist 2.

Ok.

Der Ermöglicher sozusagen, wäre 4.

Ja.

Mmm, das ist 3.

Mmm.



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Kontinuierlichen Dialog und Feedback, ja, also Feedback ist die Fähigkeit, also die Kompetenz und das ist 2. Dann sechstens....

Sie denken immer dabei, bei Ihrer Skala, dass es im interkulturellen Bereich ist, hm? Also nicht nur monokulturell, sondern Feedback-Fähigkeit im internationalen Bereich.

Überraschen Sie die 2er die ich vergebe, oder?

Etwas, etwas. Ich darf keinen Kommentar dazu geben, aber ich wollte nur nochmal dran erinnern...

Ich vergebe die 2er jetzt immer so bauchgefühlsmäßig an den Stellen, wo ich mir denke da helfen Tools, ja?

Ja.

Also wenn man da Techniken richtig anwendet, ist das nicht schwer, ja? Also jetzt zum Beispiel zum Thema Feedback geben oder Ziele setzen, ehrlich jedes Unternehmen hat gute Systeme, wie Ziele zu vereinbaren...

Mmm.

Und unterjährig Feedback zu geben, das kann ich lernen.

Ja, ja, ja, ich verstehe.

Das ist eine Hilfe. Nur, sag ich mal, persönliche Leadership kann ich nicht mit einem Tool lernen.

Mmm.

Sondern die muss ich irgendwie mir selber her kriegen.

Mmm.

Das finde ich dann besonders schwierig.

Ok.

Mmm, sechstens, ja, Performance managen oder beziehungsweise Beurteilen ist eigentlich die Kompetenz.

Mmm.

Das ist, das ist 4. Das ist schwierig.

Mmm.

Delegation, Delegationsfähigkeit bei siebtens.

Mmm.

Das ist 3.

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Ja.

Ansprechbarkeit, Erreichbarkeit, ja, also die Kompetenz, mei...

Präsenz?

Präsenz, genau, ok.

Das hätte ich auch nicht sagen dürfen (lacht)

Aha, das ist 2.

Das ist 2, ok, sehr schön, jetzt F, Kundenorientierte Strategien entwickeln und umsetzen?

Ja, mmm, Kundenverständnis...

Ja, Kundenorientierung, Kundenverständnis, ja.

Das ist 3.

Mmm.

Produkt- und Serviceportfolio ausrichten. Marktorientierung.

Mmm.

Das ist auch 3. Steuert die Ergebnisse (er liest) Mmm, das ist Management Technik, mmm, das ist 2.

Management Technik ist das Ergebnisorientierung oder was meinen Sie unter Management Technik.

Das ist drittens, ja? (liest nochmal)

Ja, ja.

Steuert die Ergebnisse... (er liest) Das ist so, Task Management.

Ok, ok.

Controlling und Financials und...

Ja, mmm.

Was auch immer muss ich im Blick haben damit am Ende wirklich Wert geschaffen wird.

Ok, ich verstehe, danke.

Ja. Mmm, sucht und identifiziert... (er liest) das ist ein Stück Kreativität.

Ja.

Und das ist 4. Fünf, erkennt ... (er liest) Da ist wieder Kundenorientierung und das ist 3.

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Ok.

Sechstens, setzt Impulse... (er liest) Ja, das ist Innovation, denk ich mal, Kreativität...

Innovation...

Also sechstens ist 4.

Ja.

Entwickelt... (er liest) Mmm, ja, Strategieentwicklung.

Mmm.

Das ist 3. (Er liest) Ja, Unternehmertum.

Ja.

Das ist 4.

Ja.

Schafft... (er liest) das ist wieder so Management Technik, ja, also...

Ok.

Und das ist 2.

Ok, das ist 2. Wir sind fast durch dann, mmm, F2, Managementverantwortung konsequent leben.

Mmm, das ist Vorbild sein, also erstens ist es irgendwie Vorbild sein oder persönliche Führungskompetenz, mm, und das ist 4.

Mmm, wie sieht es mit authentizi..., also mit authentisch sein, Authentic Leadership heißt das in Englisch...

Ja, ja, das passt, ja.

4.

Dann, das andere ist, das zweite ist Ehrgeiz.

Ja.

Und das ist 3.

Ja.

Konsequenz ist das dritte, und das ist 4.

Ok.

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Expandierung.... (liest).

Es gibt Risikotoleranz als Kompetenz, es gibt Mut...

Mut hätte ich auch gesagt.

Mmm.

Das ist 4.

Mmm.

(Er liest) Ja, strategische Prioritäten, Strategy oder so...

Mmm.

Das ist 3.

Prioritäten 3, ja.

Lösungsorientiert ist sechs.

Ja.

Das ist 2.

Jo.

Schnell, mutig...(er liest) Ja, das ist so die Konsequenz wieder.

Ja.

Und das ist 4.

Mmm.

Und Change ist, Changefähigkeit, das ist 4.

Mmm.

Dann Lernfähigkeit ist neun.

Lernfähigkeit.

Und das ist 4.

Ok.

Ja und Wertschätz..., Offenheit und Wertschätzung, Respekt ist das vielleicht als Kompetenz, das ist auch 4.

Das ist auch 4, ok, jetzt sehe ich Ihre Tendenz da drin, ok, sehr hübsch.

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Alles was so persönliche Kompetenz ist, wo ich als Erwachsener mit langer Ausbildung und viel Erfahrung mich persönlich noch mal hinterfragen muss, oder immer wieder hinterfragen muss finde ich besonders schwierig.

Mmm.

Und alles was so technisch, technisches Management ist, wo ich Tools und, und Dinge nutzen kann, finde ich eher leichter.

Ok. Und glauben Sie dass das international so eingeschätzt wird, wenn Sie zum Beispiel Deutsche Kultur mit den Anglo-Sächsischen Kultur würden die auch neigen, so ein Kompetenz, was mit Tools zusammenhängt leichter implementieren zu können, oder gibt es da einen Unterschied zwischen Deutschland und dem Anglo-Sächsischen Kulturenkreis?

Ich glaub dass in Anglo-Saxon Kultur der, die persönliche Leadership, mmm, das alles überragende Thema ist.

Ja.

Und das sie, dass es nicht als so schwer empfunden wird.

Ja.

Er ist halt ein Leader, ja. So wie ich, ich denk mir, dass ich mir jetzt da akademischere Gedanken mache gerade, oder kompliziertere Gedanken und das jemandem in der Anglo-Saxon Welt irgendwie leichter, leichter fällt, ja, weil er das...

Ja.

Konstrukt irgendwie normaler findet und nicht kompliziert sondern ganz, einfach ganz normal.

Ja.

Ich glaub da gibt es Unterschiede, ja.

Ja, ok, also Transformational Leadership ist eher so typisch für den Nordamerikanischen oder Anglo-Sächsischen Raum im Allgemeinen. Ok, weiter mit Frage 2 jetzt, aber das ist relativ kurz zu beantworten.

### **Q2 b) Übereinstimmung der Kompetenzen**

Das haben Sie nicht vorliegen so detailliert wie ich, auf einer Skala von 1 bis 4, in welchem Ausmaß stimmen die im Kompetenzmodell gelisteten Behaviors mit den von Ihnen als notwendig erachteten überein? Also Sie haben am Anfang mir eine Liste gegeben, von den Kompetenzen, die Sie für wichtig halten, und jetzt haben, sind wir durch die C2 gelisteten Behaviors gegangen...auf einer Skala von 1 bis 4?

Also mindestens 3, vielleicht sogar 4, ich habe alle meine Stichworte wieder gefunden, vielleicht nicht eins zu eins, aber das Thema Vertrauen zum Beispiel, was ich sehr stark in den Vordergrund gestellt habe finde ich wieder, wenn ich hinten in die, in das Kompetenz, in die Kompetenz, mmm, jetzt muss ich selber kurz schauen...wo habe ich es, eine Sekunde, ja,

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reflektiert kritisch das eigene Handeln, lernt aus Fehlern, erkennt eigene Schwächen, also ich denke, ich finde das sehr stark wieder.

Ja.

Ich würde sogar sagen, also ich würde mal bei 3 bleiben, auch Lernbereitschaft findet sich ja wieder.

Ok.

Also ich würde bei 3 bleiben.

Ok, okey doke, ok. So, Frage 3 haben wir bereits beantwortet, bis auf eine ergänzende Frage.

### **Q3 a) Implementierung der Kompetenzen**

In die Implementierung oder Umsetzung spielen kulturelle Faktoren eine Rolle? Also wenn wir so ein Modell jetzt nehmen und sagen, ok, auf nach Princeton, und wir rollen das jetzt in Princeton aus, spielt Kultur eine Rolle? Oder Asien von mir aus.

Also Kultur spielt eine Rolle, ja. Und zwar bei der Interpretation dieser Kompetenzen.

Mmm.

Ich gaube die, mmm, Grundkompetenzen hier in dem Modell kann man universal gebrauchen...

Ok.

Aber die Interpretation, sprich wenn man auf die echte Behavior Ebene runter geht, da sehe ich schon einen kulturellen Einfluss, ja...

Ja.

Weil die, die, der Arbeitsalltag in einem unserer Offices, oder irgendwo im asiatischen Bereich, der Umgang miteinander schaut ein Stück weit anders aus als hier im deutschen Headquarter.

Mmm.

Und das ist denke ich in Italien auch so und in Moskau auch so. Also es gibt kulturelle Unterschiede, nur wir sollten zum Thema Kompetenzen die gleiche Sprache sprechen im Unternehmen.

Ja, ok.

Wir müssen, wir müssen Anker haben in unserer Diskussion über Kompetenzen, die universell sind, und das kann das Kompetenzmodell leisten und dazu ist es auch da. Dem Unternehmen eine Sprache geben, und Kompetenzen diskutieren.

Ok.

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Wenn wir da keine gemeinsame Sprache haben sind wir all over the place mit diesen Themen...

Mmm.

Und jeder gibt nur seine persönliche Meinung und...

Ja.

Seine persönliche Erfahrung zum Besten.

Mmm.

Wir brauchen eine Schnittmenge aus all dem und das ist gelungen, indem das Kompetenzmodell gemacht wurde und das ist jetzt die Sprache des Unternehmens zum Thema Kompetenzen.

Ok, ok, sehr schön. Question 4.

### **Q4 Zusätzliche Kompetenzen**

Gibt es Ihrer Ansicht nach weitere Kompetenzen die nicht in dem C2 Kompetenzmodell enthalten sind, die aber notwendig sind um ein Team zu leiten im internationalen Kontext? Also hat man was außer Acht gelassen?

Ja wir hatten vorher, ich hatte vorher gesagt dieses ganz technische, dass man den, ja, eine Sprachkompetenz halt auch haben muss.

Ok.

Wobei, das würde ich jetzt vielleicht gar nicht mal im Kompetenzmodell sehen. Das Thema Respekt ist mir wichtig zwischen kulturellen, mmm, in kulturellen Situationen.

Aber es ist enthalten, oder, das finden Sie...

Das ist enthalten glaube ich, ja...

Also, es, doch, ganz zum Schluss gibt es einen Satz, ein Behavior, das bezieht sich genau auf die Kultur aber vielleicht ist es nicht explizit genug für Sie. Hier, da, zehn unter F2, zeigt sich offen und wertschätzend...

Ja.

Gegenüber fremden Kulturen.

Ja, genau. Dann stimmts, dann ist es da. Naja, also ich glaub das ist relativ vollständig.

Es ist relativ vollständig, ok. So, und dann, Frage 5 haben Sie auch zum Teil beantwortet.

**Q5 a) Sinn eines universellen Modells**

Im Anbetracht der fortgeschrittenen Globalisierung von C2, finden Sie, dass ein universelles Modell für alle Regionen sinnvoll ist?

Ja, absolut.

Ja, das finden Sie. Und warum haben Sie bereits erwähnt glaube ich. Es sei denn Sie möchten hier...

Wir brauchen eine gemeinsame Sprache, wir brauchen eine gemeinsame Orientierung zu diesem Thema. So wie ich eine gemeinsame Interpretation unserer Kennzahlen brauche, brauche ich auch eine Sprache für das Thema Kompetenzen im Unternehmen.

Ok.

Deswegen ist es absolut sinnvoll sowas zu, zu definieren, auch wenn die dahinter liegenden Interpretationen kulturell unterschiedlich sein können.

Eine Zusatzfrage: Basieren die Kompetenzen hier, oder die Verhaltensweisen, also, oder, widerspiegeln sie vielmehr die Werte von C2, die Firmenwerte?

Also es gibt ja um das Kompetenzmodell herum, beziehungsweise sogar drüber diese sogenannten kulturellen Leitlinien.

Ja.

Ja, dieses business minded, ehrgeizig, neugierig, leidenschaftlich, diese Dinge.

Ja, ja.

Ich denke das ist der Rahmen, den wir versucht haben hier in diesem Kompetenzmodell auch abzubilden...

Mmm.

In sofern denke ich schon dass das Kompetenzmodell den Unternehmenswerten zuarbeitet.

Ok, gut, und dann Frage 5 b.

**Q5 b) Faktoren für Erfolg eines universellen Modells**

Sie erachten ein universelles Modell als sinnvoll, welche Faktoren können sicher stellen, dass dieses Modell dann gleich wirkungsvoll und erfolgreich ist?

Also die, das Modell muss sich in möglichst viel Personalinstrumenten wieder finden.

Mmm, ja.

Die Instrumentenlandschaft muss darauf Bezug nehmen, möglichst explizit.

Ja.



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Und es muss in der Kommunikation immer wieder in den Vordergrund geschoben werden, also nicht nur der HR Kommunikation, sondern der gesamten Kommunikation, der Führungskommunikation.

Also es muss auch wirklich gelebt werden innerhalb des Unternehmens?

Ja, es muss gelebt werden. Gleichzeitig muss es aber auch lebendig sein, das heißt wir dürfen jetzt nicht hergehen und sagen das ist es für die nächsten fünf Jahre...

Ja.

Sondern wir müssen es immer wieder hernehmen, und es ist auch in Ordnung es immer wieder herzunehmen und zu sagen, ok, lass es uns weiter entwickeln.

Mmm.

Ja, also so, genauso wie das Unternehmen ja lebendig sich entwickelt muss auch das Kompetenzmodell kein Tabu sein jetzt für die nächsten fünf Jahre sondern sich weiterentwickeln dürfen.

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C3 / L2 (black)

Interviewer: Christine McCarthy (blue)

**Q1 Essential competencies**

So the first question just simply concerns, without having looked at the C3 model at all, just whether in your experience if you could describe please which competencies and behaviors you see as being essential for leading in a multinational environment?

Multinational environment, certainly clear, clear language, clear, clear defined and commonly understood...

Mmm.

Actions, for that's as certain sense, in, in terms of competencies and, and attributes and behaviors of the leaders, I guess, an ability to be able to do that obviously and to have a certain level of openness and sensitivity to the, the, you know, the cultural differences, how those, those directions might resonate with the different people you try to reach.

Mmm. So you do see a difference between leading in a mono-cultural, the, the function of leadership in a mono-cultural environment to leading in a multicultural environment?

I would think very much, because within a mono-cultural environment, every, I think the, the playing field is, is more even, I think the understanding of, of, of, amongst the people involved and the, the reactions or the expectations I would imagine are better understood than in, in, in a multicultural one, where the same action or the same question or the same response might, might resonate differently, that the, the different people in the group, so I think as to lead that, I think if you're a German, leading a German team.

Yeah.

You probably, if you are a good leader have an easier time of that than if you would have to do, do the same thing in a team of multicultural participants.

All right, ok. Some of the competencies that you gave me were clear language, a common understanding, openness and sensitivity. Sensitivity, what kind of behaviors show that you firstly use and practise clear language, what kind of behaviors do you associate with that? What would the leader, what would the leadership behaviors be? Associated with clear language, commonly understood actions?

Give me, give me an example of what you mean by the behavior part, in terms of.

I would say, that he, for example, would behave in an, lord I said too much, he would behave in an unbiased manner for example, yeah?

Ok, I see. I see, for sure now, so obviously that even with knowing his own cultural background he would be more sensitive to that and not relying so much on people understanding the way he is expressing himself based on his cultural background, being more neutral in, in doing so.

Ok.

Rather than you know, if, if he was addressing just a, a group of fellow nationals.

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Let me remind you, you said that a German for example leading in a German environment would have an easier time, so what kind of behaviors would facilitate somebody, a leader, to lead in a multinational environment? What would he do differently, what would the behaviors be? If you could give me, like the top three behaviors that would show this guy has global leadership competency?

I think, he, I think his, his tone, his language, I think he would really adapt that to the difference.

Ok, he would adapt the language.

The tone of the language, he would.

And tone.

I think he would probably have to be more aware and reactive to how that resonates with the whole group.

Ok.

If he was just dealing with one nationality, I think because of the similarity he would probably be able to be not maybe so sensitive to that, so aware of it or so responsive to it.

Ok, anything else?

So, I think we have the language, we had just the awareness, and, yeah.

You can think it in the area of leadership per se, strategic leadership competence and so on. Would that be different in a multinational environment? Like knowing the vision of the company, of where the company wants to go, providing clear guidelines and all that would that differ?... strategic leadership competencies?

Well, if, if, if, they are, you know, if they are good leaders and they are thinking strategically they are probably, you know, helped to translate that into, into you know a common language.

So ensure that there is a common understanding. Facilitating the understanding of the strategy.

Yes.

Translating and facilitating the understanding of the strategy.

Yes.

Ok. Good, good, ok this was the first question.

**Q2 a) Competencies associated**

Second question is, looking at the leadership model that C3 has come up with, in 2006 they came up with this model, was developed by the leadership institute, by the way have you seen it before?

I think I, some of the headings.

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That's, that's it, you know.

I think we used to having some exposure to human resource discussions etc. I think not personally in a, in any, you know, leadership interaction but I, some of these terms I've already looked at, and yes and, and discussions, I've heard about that, so they're not totally unfamiliar.

All right, ok.

But I can use them as a reference?

Sure, you not only use them as a reference, we go through each of the, ok?

Ok.

Ok. There, there are three steps: firstly personal leadership, second one is people leadership and the third one is business leadership. In the first one, personal leadership you've got two competencies outlined in the other two you have three competencies outlined. Now C3 uses the term competency here, if you read the first one C3 / L2.

(She reads) Ok.

Then my question is, do you see that as a competency or as a behavior? Would you put the heading competency on it or behavior? C3 calls it a competency.

Well if you ask me like that I guess I, would be more inclined that it's, it's, it's more a behavior.

Mmm, ok. Yeah. I agree. Just for clarity sake. Let's say then that's more a behavior. What competence would you associate with that behavior?

What competence, well the competence to, to recognize these elements, you know, so you can influence your behaviour. You need to have recognition, you need the awareness that it's even necessary, I think that is a, a sensitivity to understand and translate those differences.

Ok.

And a willingness, of course.

Translate and a willingness to do so, ok. Right, that's fine. And the attributes would be then openness or, if you were to say, if you were to define that then as the attributes, the associated attributes for that, would they be openness or what would you say?

Yes, yes it's, it's openness, I guess probably even willingness, probably needs to, needs to go on that side then.

Yeah.

And I guess with, with the sensitivity, I mean, is that, is that any more attribute.

That's right, ok. Ok, fine, second one leading through influence. Take a moment just to read.

(Reads) Yeah, I see also a mixture of competency and behavior.

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Ok. And if you could outline what you would immediately say, that's the associated competence, or that's the associated attribute. I'll do the differentiations, no problem.

So to communicate and build you need, obviously you need a language skill, or a, a, even, I guess, I'm coming to the word sensitivity again because it's actually not just being able to speak a language but to, to, you know, have a sensitivity of the language because it will make a difference in multicultural groups.

Yeah.

The networking and communicating in general you would need a, a more open, I think, personality, or just openness, more an openness than if you were just working in your own, because then you would not have to explain yourself so much, you haven't have to. So communication is one?

Yeah.

And language, the communication, the networking skills.

Yeah.

And the mindset and sensitivity and openness to do so.

Yes.

Ok.

Anything else?

Well the positive influencing and collaborating to inspire, there, there you, you really need to, to, to know what actually inspires people from different cultures, I think that's, I don't know.

Ok. To be motivational and inspiring in different cultures, ok to know it, to know what.

Yes.

Ok.

Because that would be quite different.

Mm, yeah.

Than just in our different personality within one culture.

Ok, very good. Anything else? It doesn't have to be anything else if there is anything else?

No, this is, I think those are.

Ok, then moving on to the people leadership competencies. Again the same system. Executes for results?

(Reads) Ok.

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Bearing in mind the heading. The first one was under personal leadership, what you yourself, and the other one is people leadership, ok.

Yes, right. Well when I read something like this, this is where I think, this can make quite a difference in different cultures, because there are some very aggressive words here, some very strong language in terms of relentless, obstacles etc. now, if you.

Yeah.

If you take that into the different cultures you work with, I think that can make, unless you have a, a way of translating that or adapting that to the different intelligence at the table.

Yeah.

You could come up with quite different challenges.

Mm.

Yeah. So I, you know I think you need to have the skills to make that one work in a multicultural, I mean.

So it's multicultural intelligence then?

Yeah. Yeah, yeah.

Mm.

I mean, a German would love this. You know?

Ok.

Other cultures might, you know, just be even, you know, offended or, or defensive with that, so you, you need to.

Because of the, the explicitness of the language?

Yes, yes. The, the, sort of it's a kind of you know very, very, to relentlessly pursue something, I, I think there're some cultures that would probably.

Feel threatened.

Feel threatened by that kind of challenge.

Ok.

Fairness, honesty, integrity, I think that's, that's again, you need to have the skill to understand what that.

To understand what that means in different cultures?

Yeah.

Ok.

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So I can give examples without being racial, but I don't mean that, I mean really it, it, it does have different meanings.

Mmm. Ok.

So I think, it's need to, you know have that skill, to find out what is that common ground, and what is an obstacle in that, in that.

Mmm. Ok.

“Accepts accountability of self and...” again as a leader you need to be able to translate that for, for you team.

Ok.

What, what that, that means also in a way that they actually connect with it.

So basically what you are saying to me here in essence about this whole definition or behavior or definition here is you need the ability to translate that across cultures, so you need cultural intelligence?

Yes.

Is that?

Yes. That is the short of it.

Ok. All right, just quite a, quite a challenge.

(Reads) Communicates effectively and candidly. Demonstrates strong... Well, I think there I've already been saying, it's the same thing, you need to, have those skills to do that and to certainly a difference here you actually mention, cultural differences.

Yeah, so.

Is this meant more within the, the context of, of one...

This?

But it actually mentions “Considers cultural differences” here in, in.

Yeah it does.

So it's already looking at a multicultural exchange here.

Ok.

Ok.

So you're saying this one can be taken quite literally?

Yeah.

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Two-way communication skills.

Yeah. This is actually picking up all those skills, isn't it, to be open, to be articulate, to...

Yeah, ok.

To consider to those, that in a, cultural differences, well communicating, that is actually asking for, assuming that you have those skills to be able to do that.

Ok, good, ok. Moving on...

(Reads) "Builds and leverages talent..." Again, I'm sorry, it's because this is kind of a recurring thing here, but to be able to especially in the areas of diversity and seeing, you know, what, what is, is it an opportunity or growth or rewarding achievement you need to understand, the needs of the, the culture you are dealing with.

Ok.

And, obviously as, as a skill, yourself you need to be evolved enough.

You need to be?

Evolved enough yourself, to be, you know, able to do that. You know what I mean.

So, maturity?

Maturity, yes.

So, are you saying that it presumes that one has the maturity? In order to be able to demonstrate that, there is a presumption or assumption that one, that leader does have that?

Yeah, right. Because you mean if, you know, you are really assuming that, that you know, to be able to do this you are assuming that the leader already knows what top-talent requires and you're assuming that they, they understand what rewarding opportunities are, you know, for the people that they are trying to, and also that they, they, they, they, they, you know, certainly issues of diversity.

Yeah.

Be it, ok, of thought and perspective it says here, but I think you have diversity even in the sense of...

Yeah.

But there you are, you are assuming that there is an, an openness from the leader to appreciate the diversity of thoughts and perspectives, ok I want to take this into a more of a diversity in sense of corporate responsibility you would also assume that the leader has already the, the maturity to, or no, no prejudice in terms of age or sex or nationality or ethnic background, which in the multicultural element is, I would have said critical.

Yes, ok, good. Then moving on to the last section, which is business leadership competencies, oh we are not finished yet.



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No, it's ok.

Ok.

(Reads) "Put the customer first..." Ok, ok, there again I think the, the leader needs to be able to explain that concept, the skill, you know, to, to explain that concept to a multicultural audience because with all this external and internal customer, I mean that's, that's almost a language in itself, isn't it, in terms of an internal culture. That the customer comes first?

Yes. That's a very good point.

So that's, that isn't an overarching kind of language of a culture which is the corporate culture and the leader needs to have that skills to make that real and, and translate that to the.

Are you saying that that is not a given within every regional culture, within every national culture?

I don't think so. No, I, I think that you see it also in, in, you know, if I take a very simple example, service in the restaurants.

Yeah.

You know, the, we have, you know the, the standard culture customer, you know, approach of you know, the customer is, is king and you know, but as you see, you know, each country trying to adapt that, how do you, how do you serve a customer without being servile.

Yeah, yeah.

And I think there is some major cultural differences in that, in how that is translated in our markets and it has to also adapt to the markets, so there is no point, you know of, of trying to find one, one formula because that wouldn't work either.

Yeah.

When you are dealing with French customers in France so they would probably expect.

Certain service.

Certain service, and, you know, have a different interpretation of what's have a nice day kind of stuff you get in the US, I think that is something a leader needs to understand and help translate again back to the people he is trying to lead there. (Reads) "Plans and acts strategically..." Yeah, I think that's the basic one again, just being able to translate.

Mm. Translate a vision and action plan across cultures?

Yeah, yeah. So that, so that's that understood. (Reads) "Leads change and innovation..." (long reflection) This is even more than just a, a, you know, a challenge for a leader on a multicultural, I guess it's even a, a, you know, cross innovation, you are not just looking at culture, I mean culture in a sense of different nationalities you're looking, culture in terms of age and, and mentality or a, so you, that does require.

Mmm. What does that require?

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Well it requires the, the awareness that you know, even cultures are changing.

Yeah.

And to be innovative you need to, you know, be able to recognise emerging cultures shall we say?

So the talent, or let's say the attribute, the, the skill is actually being change...?

But open for change or, or yeah. I think being open to change, I think is, is, important.

One talks about change agility, being agile, would that?

Yeah, that's a good word, yeah. And adaptable I think.

Ok, ok, ok. That is question 2. Question 2b is.

**Q2 b) Competencies matching**

To what extent, then, do the behaviors listed here, match the behaviors and competencies that you consider necessary to fulfill your current leadership role? So and how far have they captured what you consider necessary? If you were to make it maybe it in a way easier, if you want to say it on a scale of 1-4, like one they meet them exactly, 2 more or less, 3 marginally, 4 not at all – what would you say?

Right, mmm. Do you want...?

No, you don't need to put through each individual, let's look at the whole model and say ok, let's look what we found in the model, we found openness, willingness, sensitivity, translation ability, cultural sensitivity you've said, I mean that is what you've said.

Right.

Maturity of the leader, diversity, tolerance and, and appreciation and ability to assimilate information and to recognize, adaptability. Now, how far does that capture what you need in your current role?

I, I think they, they do reflect the abilities I, I need to lead in the area that I'm leading.

Ok.

Probably in some areas even, I mean, more so than in others, because you are looking very, very likely at just one culture activity in, in what you are trying to do, you are actually, the challenges you have within my area of environment in corporate responsibility by definition already multi globally, you know, multinational globally position, so that.

Ok, but I mean bear in mind C3 / L2, you came up, which is perfectly fine, you came up with all the sensitivity and one behavior was mentioned around, one competence, the rest, that is what you interpreted, now let's take leader x, and that's what is not my question here, but you are very much saying ok, this is all connected or acting on the assumption that one is culturally literal and sensitive. But is that what the model is saying, is that what the model says to leaders across the globe?

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I don't know, no, I mean it's not, it's not giving that guidance if you're saying that. I mean, the model.

That's what I was saying, the question was in how far does it does, the question again, 2b was it, how far do these behaviors match what you need to lead in your current environment? However that is your interpretation of the model that has said, ok, we need to translate it.

Right.

All the time, you've said that all the time.

Right, so, sorry, I misunderstood that. Now you're putting the question, now I would say that, from a multicultural point of view, this model here isn't sensitive enough to, to address that.

Ok.

I think it would, you know, it, it's an English based, probably, sorry, white Anglo-Saxon based take on, on, on leadership competencies.

Yeah.

That would always need, you know, or rely on the sensitivity, the awareness, the ability of the leader to translate that into a multicultural environment.

So it relies on it, it presumes that that's a given.

Right. It doesn't actually give any, any I can't see it giving any consideration or guidance in that, so that's...

Ok. But again coming back to the question, presuming that the person reading it or using it is culturally sensitive, then it would match what you need more or less? Or exactly?

More or less, I mean it, it's some of, you know some of the elements are, I mean it, it covers everything that I guess you would, you would need to translate the company goals and priorities that you are addressing or that and, and able to lead people or lead the business and, and, yeah.

Ok, ok, moving on to question 3. (Reads question 3)

**Q3 a) Competencies easy to implement**

To what extent are the required competencies and behaviors expressed in the model, easy to implement? So again not only your interpretation of them?

Mhm. I, I wouldn't say that they are easy.

In a multinational environment.

No, no, I would say that they are, they are a reasonable starting point, you know, I think you have, your, your guide here, but you will need, you will need to spend to ensure that your team, and everybody understands it the same way.

Yeah.

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You would need to invest some time.

Time.

Yeah. It doesn't you know, it's not like here we go.

Transferable.

Yeah, it's not that, that easy, that transferable.

You will need to translate them.

Yeah. Or interpret them I think.

Yeah.

Both, I mean. So, so now you wouldn't be even sure to come up with the same result in the end, so you actually, there is the risk of a, you know, a, it's actually not, not resulting in a, what may be the initial intention of it. Because it is open to translation and interpretation and adaptation to a multicultural, you know, environment, and so.

Ok.

And also I think, what you know, there is always the, I think probably you do easier in, in an HR multicultural environment where people are used to this kind of language.

Yeah, but in the business units.

But in the business units where, you know, people are, are coming from all different areas obviously and, and focus, you know the, it will be more of a challenge.

So the challenges you foresee in the implementation of the model across regions is the translation in the ensuring that there is a common understanding.

Right. Yeah. But I mean, how would you want to measure this, how could you actually evaluate if it's achieving?

Well you have your IDP, the developmental plan, which is a part, should be tied in to this, which where you'd have your yearly appraisal with the employees, and you're supposed to rate the employees based on their performance in that area. But your question is how do you actually measure it, is that what you're saying?

Yeah.

So that is a further challenge? The measuring of it.

Well there is, there are a lot of things that are very subjective.

Yeah.

And I think in any, any measurement of, of competencies, or, or you know leadership skills and whatever, of course it's always been some subjective sort of elements in there, but the more subjective it gets, you know, how valuable can it be then for an overall system to use, if

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it can mean something slightly different or totally different things (laughs), in different parts of the world depending on how they interpret.

Yeah.

So I do, I do see, see it as a challenge. Just instinctively.

So if you were to give me a ballpark on that. Very easy to implement would be a 1, a 2 would be rather easy, quite difficult would be a 3 and extremely difficult would be a 4.

I'd put it between a 3 and a 2.

So quite difficult and rather easy? 1 was very easy, 2 rather easy, 3 is quite difficult.

I would give it a 3.

Quite difficult?

Yeah, it's quite a jump from rather easy to quite difficult, but.

All right. Yeah. Do cultural factors play a role?

Yes.

Yes. So question 4.

**Q4 Additional competencies**

In managing multicultural teams what additional competencies and behaviors, if any, are required, which have not been implicitly or explicitly mentioned there?

Right. Well this is probably music to your ears but sensitivity, some multicultural, cross cultural training.

Yes, yes.

Obviously the tape is not showing how you are handing me over buckets of money here (both laugh). No but certainly I mean the sensitivity to the interplay of the, you know, of the, the people involved. The differences, you know the fact that there can be differences in interpretation and also expectations. You know, any, any guidance or skills given to leaders to, to use that or to, you know, to use in, in conjunction with this I think would be helpful, otherwise it becomes, you know, very static.

Do you think it actually it is, there is a real danger? I mean that's just.

I, I think it loses some of its potency, because people wouldn't just check boxes, it's something you do, but you don't really understand, so, or you don't know what's the benefit of, so, you know, it's, you know it makes a mockery of the whole exercise and then people won't take it seriously, and then it loses its purpose.

Yeah. Why haven't you seen it up to now?

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Because I've been too busy (laughs). No, I, I think sometimes HR is catching up with everything and I would imagine this is more something that is being driven through the countries, you know, to create the leadership process.

What do you mean by driven through the countries?

Well, no, I think that in terms of an HR process and making use of those models and whatever.

Yeah.

You go to the country level, and you know, here is where HR policy is, is obviously the, the, I think as Europeans, because we're already in a role, in a function we are already, you know, we, we obviously go through all the, you know, the HR elements of performance reviews etc. I, I imagine, because we have already reached a certain level, or providing a certain service at certain level to the company we are probably not the focus necessarily, you know, and, you know, guessing on that.

I mean if you read, if you read all the kind of paraphernalia around this model, this C3 model, you see, I mean it was launched with such, you know from the states obviously, and was seen as being a very important tool, and it is an observation, I've only done 3 interviews here so far but it's, nobody had actually really...

Taken it in.

No, I mean. Aware of its existence yes, but I mean you're all in leadership positions and so far I haven't, I mean, that would be interesting as we go on, to see.

Yeah. You know I expect it's just the, the sequence of events, and, and where the corporation, you are fitting a leadership model into an existing operation or cooperation with, you know, already different levels in, in, in place so that it probably has to catch up, you know, to, again I would, I would assume that you, you know you have the, the, biggest range of, of development of people within a country, where you are actually looking to, you know, have your restaurants, and from the restaurants this is still very much a classical C3 model our management still to a large extent comes from the experience of the restaurant.

Ok.

So I think it's just a, maybe just a state of development of the company as well.

Yeah, ok. Final question.

### **Q5 a) Sense of universal model**

In view of the continued maybe not globalisation, is the wrong word within the C3 context, let's say, I would say perhaps standardization of certain instruments within the organisation coming from the States, do you think it makes sense, to have one universal model, leadership model for all regions? Yes or no, and if so why?

Well I think if we want to truly become long-term a global company, we do need a certain amount of, you know, alignment to, to, to make us just more, more, you know, aware what leadership means for the company in general and how that translates into the different parts of

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the world and also make us more inter-changeable, changeable is, is, you know, just more flexible in having people move from one part of the world to another or in a word, so that's a more of a.. you know.

Yeah.

Global approach, so that we also have the benefits of all those learnings in the different parts of the world, you know to feedback into, into the whole system and I would think we are, we aren't really there yet, you know, we are globally present but we are still very much, you know areas of the world, and within the areas of the world all in that, so, you know we, we are set up, I get the impression we are set up like other big global corporations who really, you know, it's, it's, it's, there is a very clear structure of moving people, I'm sure IBM moves people around the world regularly to get experience in different parts of management style or whatever, it's, that's part of the thinking the way the company is structured how it's grown, you know, I said we are globally present, but we are not really, I think, you know, in that, that position yet.

So you, the question was, do you feel it makes sense to have one universal model? And your answer is, if we want to become a global company in that's sense that you have just described.

Yeah.

So you are saying that C3 is actually not a global company.

No, we are a global brand.

You are a global brand, but not a global company.

Yeah.

Good differentiation, so therefore yes, if you want to become a global company, but no, if you don't?

No.

And do you think that the jury is still out on that?

Mhm. Possibly, I mean, even if, you know, even if we don't become a global company, but we want to make use out of the synergies, the good practice whatever, then we, we, then it would have to be a universal model that's a core model with very simple elements that reflect, you know, the best possible, sort of, you know, elements that we would need in leadership, but leaving a flexibility for adaptation and interpretation in the markets.

So that's question 5b.

**Q5 b) Factors**

Leave enough flexibility, That's fine, that's fine. Flexibility, that would make it successful.

Yeah.

Flexibility for adaptation within the local market.

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Yeah.

So you would have guidelines, the key. What would you call them key?

Well, the core elements.

Core elements, ok. Adaptation and interpretation.

Yeah.

Ok, just out of interest, would that model work in your opinion if you say the core elements? Does that capture?

It, I mean, it, again, it looks, it looks, it looks, I mean from the things that they have picked out, you know and having a relatively good understanding of English and having a relatively, hopefully open mind to whatever it, it hits, I think the right spots. I don't think there is anything in there that shouldn't be in there or obviously I haven't spent that much time, to say there is missing something crucial.

Ok.

You know, I'm sure a lot of good heads, you know, have come together on this to, to agree on this.

Yeah.

So I think it's, it's fine for that.

Ok.



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C3 / L12 (black)

Interviewer: Christine McCarthy (blue)

**Q1 Essential competencies**

So the first question, C3 / L12 is, just the basis of your own experience, what competencies and behaviors you feel are essential for leading in a multinational environment?

Ok, so now when, I just want to make sure that I understand. The competencies, is that tied to one of the documents that you used. Or just?

No. This is in your own opinion, you know, the things that you find have helped or do help when leading in a multinational environment, that you would have put together, a list of core competencies that you would have put together yourself based on your own experience to date.

Ok, so the first one I would say would be self-motivation.

Mmm.

You have to be a driver.

Ok.

You need to be in control of your, you know, own career and have a vision for the organisation you are leading and the stamp that you want to leave...

Ok.

On the organisation, so I'd say that would be the first one.

Ok.

The second one I would say, and I don't, it is tied to a soft skill, but compassion.

Ok.

How you word that. But, you know...

Ok.

C3, we are a very people focused company, and you have to be aware of, of how you deal with it in one country is not the same way this is in another country.

So compassion, compassion in the sense of appreciating diversity as well, is it?

Yeah, that's, the, absolutely.

Mmm.

And the third one would be, influencing change.

Ok.

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Yeah. That's a big one, you know, I would say you need in multinational and that would be obviously being a change agent as much as possible for the organisation.

Good, ok, good. So, then moving on to question 2.

**Q2 a) Competencies associated**

On the template here and this has to do with, obviously the C3 leadership guideline, that is called the leadership competences divided into 3, or divided under 3 key sections, one personal leadership, the other one people and the third one is business competences. So under personal leadership you've got two key ones, you've got "achieves through teamwork" and "leads through influence" so what I would like you to do here, C3 / L12, is, I'd like you to just read to yourself the behavior indicator underneath the first one "achieves through teamwork" and I want you to tell me what core competence you associate with this? Do you understand what I mean?

Yeah, so the core competence that I just listed above or, or?

No, no, no, no.

Or just?

That you, when you read this, what does that say to you, what is the core competence that one would need to have or to bring to the job to be able to work cooperatively as a member of the team.

Ok, I understand, ok. So I would say collaboration.

Ok.

And, again diversity.

So, appreciation of.

Diversity, yeah.

Ok.

And, a, is one or two ok.

Yeah, one or two is fine. Whatever, I mean, as many as you think are relevant, one or two is also absolutely fine.

Ok, so then can I go to the next one?

Please, "leads through influence", ok?

Ok, what I do every day (laughs).

Mmm.

Ok, so the core competency, I would have to say knowledge.

Ok.

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Knowledge of subject matter, knowledge, knowledge of the business.

Ok.

At C3 we discount people very quickly if they don't speak our language which is not a good thing.

Ok.

Yeah, I would say knowledge, expert knowledge.

Mmm.

Again collaboration as well.

Collaboration, ok.

Yeah, absolutely.

Mmm.

And, I would say, I, here is where the change management comes in as well.

Ok.

Yeah.

So, change management skills. Ok, good, then moving on to the next one which is "people leadership – executes for results"?

Ok, so this is where I think the self-motivation and then sort of the, again, you know, we call it a driver, being able to kind of buster the barriers and, and be self-motivated enough to, to achieve results.

Mmm, ok.

I think networking, or relationship management has in to play here, so, you know, you, you may have to rely on other groups that are subgroups to help achieve goals and, you know, your relation to other businesses will help here.

Mmm.

Yeah.

Ok, then "communicates effectively and candidly"?

Ok. Competency: good listener.

Ok.

So I think sometimes as people managers we want to solve the problems, we have to listen first.

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Mmm.

And, again the, the acceptance of diversity here.

Ok. Good.

(Reads) “Builds and leverages talent...” The core competency here, here I would think it would be sharing top talent, so we don’t, we want to hoard people in our departments, we don’t want to share our top talent.

Ok.

High performers, but just having more discussion regarding the high performers and what does that look like.

Ok.

Yeah. And then, another core competency.

So that’s really, sorry C3 / L12, that’s really cross-functional thinking as well, towards the whole business?

Yeah. Absolutely. Yeah, yeah. Yeah, I would say the biggest one there is we just aren’t thinking cross-functionally.

Ok.

In, in a talent management arena, yeah.

Ok, good. Then, moving on to the last group which is “business leadership competences – putting the customer first”?

Oh, wow, this is definitely, it’s where we put customers, being the end-customer but I think also are...

Internal?

Internal customers so I have to kind of change gears first back in, so, and you can’t give me some examples of core competencies from other people, this is just one that is really. Let me just see.

Excellence orientation.

Yeah, cos this is.

Results orientation, performance orientation, future orientation, those kind of things.

Ok.

So what would you chose there, what would you say?

I would say results, definitely.

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So results orientation.

Yeah. And future is important, but I would say definitely we are a very results-driven company.

Mmm, ok, good. Next one “plans and acts strategically”?

Oh, yes, the competency I would say would be someone who can look at a macro versus a micro level.

Yeah.

Some people are too in the details...

Mmm, yeah.

But I think also staying, stepping back and saying if I make a change to my department, how it may impact other departments.

So, considering the whole?

Sort of cross-functional decision, yeah. So, a lot of departments make very siloed decisions.

Mmm.

(Reads)“Lead change and innovation”, so I guess here I would definitely say taking more risks, risk taker.

Ok.

Challenging ourselves to say, we haven’t done it this way in the past, but, but think about it differently.

Mmm.

Yeah, what I think the core competency here is you need some of the, the willingness to accept a certain level of risk.

Ok. And leading the change is, is change management, change agility?

Yeah, I would say, change management I find the biggest one.

Ok.

I mean, when you take the risk, yeah, to do it, it’s managing through it.

Ok, ok C3 / L12, excellent, thank you.

**Q2 b) Competencies matching**

Now, to what extent, on a scale of 1-4, do those behaviors listed here, those competencies listed here, match those that you consider necessary to fulfill your role? So, basically what C3 has isolated as 8 behaviors and how far do they match what you need? I mean if you want to take the short cut we could go through each one of them quickly and you could tell me one by

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one ok, matches exactly, more or less, marginally or not at all. So we could go through. For example personal leadership competence “achieves through teamwork” that could be a 1 or a 2 or a 3, if you want?

Yeah, let’s do it that way.

Ok.

For each one, and what you’re saying of my current.

In your current role.

Ok.

Now, ok.

Make sure I understand. Ok, so the first one I’d say exactly.

Exactly, so that’s a 1. Mmm. “Leads through influence”?

I’d say a 1.

Ok. “Executes for results”?

The only thing that would make me say a 2 on this one would be the last sentence that says...

“Personally accepts accountability”?

Well, no, the pursuit of sustained profitable growth.

Ok.

So we are in kind of a cross center here, so that would be just that last sentence there where I would say it to be a 2. Everything else is a grade one.

Ok. So that’s a 1 and the last sentence is a 2.

Is a two, yes, we don’t really have any...

Mmm, ok. Then “communicates effectively and candidly”?

I say a 1.

1, ok.

I’d say a 1 on “builds and leverages...”

Ok. “Puts the customer first”?

I’d say 2 there.

Ok. “Plans and acts strategically”?

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I'd say 2.

“Leads change and innovation”?

I'd say 2.

2, ok. Thank you, good. Then moving on to question 3.

**Q3 a) Competencies easy to implement**

To what extent, and this is, this is I think an interesting question. To what extent are the required competencies easy to implement? I mean so the team or teams you are responsible, but I suppose also across cultures. How easy are these to implement when you think of a multicultural environment?

Yeah.

And again, C3 / L12, we can do the 1 to 4 scale, very easy being 1, 4 being difficult. But I'd like a comment or two now and again from you as well on that. So let's start with the first one “achieves through teamwork” How easy is that to implement? When you read the whole thing “Is open to...”?

Number 1 is very easy, 2 is rather easy, 3 is difficult, 4, ok, so, let's see, I would say the first one would be a 3.

Yeah.

And the reason I say that is because of two reasons, one: the cross-cultural piece where you know, you've dealt with different backgrounds.

Yeah.

And there is a lot more, there is a lot more discussion and managing of relationships and...

Yeah.

Lots of different people involved, I hate to say stroking of egos, but to some extent there is a lot of that massaging.

Yeah.

The second reason is because sometimes people have hidden agendas.

Yeah.

And that's a big thing that we've managed through, hidden agendas, yeah.

Ok, ok, then the next one.

“Leads through...” is that ok, you want to..?

Yeah, no, that's perfect, that's absolutely wonderful.

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Ok, perfect, ok. So the next one “leads through influence...” again for similar reason that is for the first one I would say 3.

Ok.

Again.

For similar reasons, ok. Then the next group, “executing for results”?

Yeah, for this one, this one is relatively easier because we are a very operation and results focused company.

Yeah.

Because everyone knows, things need to get done and at the end of the day if a comes down we put all of our personalities aside and get it done, I’d say this one is probably a 2.

Ok, good.

And.

“Communicates effectively...”?

“Communicates effectively...”, ok, this one I would say is a, a 3.

Ok.

Because of the fact that we are a very feminine company (laughs), I feel a very feminine company from the fact we are very people focused, and, and, aware of our cultural distinctions, sometimes we don’t send hard messages.

Yeah.

And the fact that is we need to be with people and communication.

Ok.

So this is a good thing that we are very people focused but it is also a bad thing, where we are not delivering hard messages.

Yeah, ok, good.

“Builds and leverages...”, I would say, again I’d say a 3 on this one.

A three.

For the sole reason that, I’m finding that as dealing with cross- functional teams and organisations people are holding on their best talent, we’re not, we’re not sharing across, cross-functionally as much as we should.

Good, ok.

Ok?



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Yeah.

“Putting the customer first...” Externally the customer I would say, so kind of a two-parted answer, if you are talking about the restaurant end-customer I would say this would be rather easy, this is probably a 2.

Ok.

If it's the internal customers I would say sometimes a 3.

Ok.

So all the administrative steps behind the scene I would say it's a little bit a....

More consideration, yeah.

Yeah.

Ok, “plans and acts strategically...”?

I'd say this one is a 2, I think that we as a business have, have really remained focused on our core restaurants for getting away small, of our smaller little partner brands we have, and as an area ..in the world, we have a good strategy in place, I think, this is why a 2.

Ok, very good, and then “leading change and innovation...”?

Yeah, this one I would say is a, can I say borderline 3 / 4?

Yeah.

Or do I need, yeah this one is a, one of our biggest challenges because of the fact that we have a lot of legacy employees who got a lot of talent, a lot of people that have been here for many years, so with that comes, why do we need to change this, it's fine, we can do it the same way we've been doing it for 25 years.

Ok.

So, yeah, this is a, this is a challenge.

Ok, excellent, good. So, thank you. Moving on to b, b in that question.

**Q3 b) Role of Culture**

Does culture, well actually it's what challenges are experienced and then, does culture play a role? So the challenges you've already done, and then, does culture play a role? You may have covered some of that as well. Do you think in the implementation of these behaviors that culture?

Yeah.

Plays a role?

Yes, yes, absolutely. Do you want me, do you want me to go through this one specifically or?

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No, just, just generally. How does culture play a role in all of this?

Well, least working through the German team, for example, when we were in your class a couple of years ago and when you brought up the whole “Klarheit” discussion.

Mmm.

In some cases, some of this is so basic, people would say: well, of course we would be doing this.

Yes.

So why do they have to do this, why do they need to tell me this, why do they need, this is how I do my work.

Yes.

And some cultures may feel that this is driven by the Americans trying to either over simplify it or over control it or, you know, kind of insert their influence, you know.

That’s very, very interesting what you are saying here, mhm, yeah.

The feeling that I’m getting from my travels around the world is that, you know, people are very well aware that are reporting into a US based company but the local relevance piece to them, is very important and they want their own control over kind of behaviors and how they run their markets.

Yeah.

So, there, there, those are two pieces: there is the don’t tell me what’s obvious, I already know that and the reaching from Headquarters into my market of this is what I need to do.

Yeah, yeah. Just a question: Why would you say, if, if they, if the take were to be here this is too basic, don’t tell me what I already know then why have these behaviors then so, you know, compiled, why they, why have they been put together like this? Is it too simple for the rest of the world? Is it just the US trying to be very obvious?

Well I don’t think it’s too simple, I think it’s actually good that we are talking on the same language, I just think that, that you will have some markets that resist anything from the US.

Yeah.

And, you know, I want to say there is only a handful like that, you know, like the minority, the majority is the world I want to say, ok, great, we’re finally talking the same language, this is what it means, this is how you do it.

And what are those cultures that will resist, C3 / L12, I mean what are the cultural, are they very individualistic cultures who are likely to resist more?

Maybe I shouldn’t say this, it’s being taped (laughs) like the former, you know British colonies, like Australia, the UK, sometimes Canada, you know we’re finally translating that a lot and some of are former British colonies are, are the most of kind of challenge to these things.

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Ok.

I don't know if it's just the relationship between us and the Americans, but, yeah, there are a handful of countries that we tradition.

And they are the Anglo-Saxons?

Yes, yes, yeah.

And how did the Germans fit in?

They, again, they will do it, they won't understand why and making sure that, you know, to the point, to Thomas I'm talking about this all the time, you know, of course I'm doing that, that just makes sense to me, you know, and, as long as they understand why they are doing it or why this has been clarified, it's no problem.

Ok.

So.

They'll only challenge to get clarity?

Exactly, yeah, yeah.

Ok.

I'd say there is surely the breadth, that will, there is no challenge a lot everything.

Because they like to do things their way?

Yeah, yeah, yeah.

Ok, very good. Any experience with the Asians there?

I'm sorry?

Any experience with the Asian countries, will they challenge or will they do?

They just do.

Ok.

You will have in some pockets I mean, China and Hong Kong that is the challenging but a couple of people that we have in China, you know, there is no challenging there.

Excellent, ok, good. Now, moving on to question four, C3 / L12.

**Q4 Additional competencies**

In managing multicultural teams are there any competences not mentioned there, that you think this is missing? Or maybe not even, maybe mentioned but not explicitly enough for your liking?

Good question. The only one, and I don't know how you word it.

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Mmm.

It would be personal leadership and it would be almost like self-accountability. Or the fact that, you know, there is a role that the employee plays in their own sort of career development within the company.

Mmm.

And that is something what we're really challenged with right now, with our groups, because we know people want to move on to different parts of the business, but it's the, you find me my next job, and it doesn't work that way.

No.

There is a personal accountability piece that is missing.

Ok.

So that would be the only one I would say under that, that maybe needs a little bit of expanding, so the role the employee plays in their own career development.

Ok, how do you feel, how does it come across to you? Is there a clear demarcation here in this model between leaders and followers? I mean it's a leadership model, it's a model directed at leaders, but when you talk about self accountability, do you think that there is a power distance with a demarcation between this is the leader, and this is the follower? Or does C3 want shared leadership or accountability all way up, all the way down?

Well I would say yeah. I mean, the reason I feel it being a leadership quality is because, you know, maybe its high expect to being a self-driver, self-motivator.

Yeah.

You are in control, a leader takes, takes, takes risks and is in control of their career and plans out their steps versus....

Yeah.

The follower just says, oh, but I want to, I'm not happy, I want a new job but I don't know how to fix it. Leaders step up and say I need a change or this is what I'd like to do, or.

Yeah.

And I feel that, that, that piece is missing.

So the pro-activity?

Pro-activity, yeah, yes. And also the accountability I mean, we are sitting here and they may complain about their current role and ....

Then they should do something.

Then leaders step up and, and, and come with solutions, and this is how I want to fix it.

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Yeah, excellent. The part, still on that question anything missing, the part up appreciation culture and listening, is that explicitly stated enough for your liking?

In which one is that, I'm sorry?

Appreciating diversity, diversity and inclusion, appreciating the multicultural nature of the business, of the people, is that strongly enough, explicitly enough stated for you?

Well really what I thought is, let's see "communicates effectively"

Twice you see it.

Twice? Trying to see where else you see it.

You see it, it's diversity, we are open to diverse ideas is there.

Yeah, and then builds and leverages.

Yeah.

Ok.

And under communicate effectively there, it's said cultural differences when communicating.

Yeah. Now that you've mentioned it, I, yeah, I think that there could be a little bit more messaging around the multicultural piece. I mean if I, if I, if I were to just read this as being an American based company without operations aside the US I'd say this is very....

Yeah.

American oriented.

Would you?

Yeah, yeah. But if I step out aside and say, ok someone over in Asia or someone, I'm just taking it actually from the Asian perspective, yeah, I think there could be a little bit more around the fact that we are, the inclusivity around cultural decisions.

Ok, inclusivity, cultural decision, cultural context, or?

Yeah, context is fine.

Ok, ok. Thank you. Ok, C3 / L12, final question.

**Q5 a) Sense of universal model**

When you look on the continued globalization of, of C3, do you feel in general, it makes sense, to have one universal model, leadership model for all regions? Yes or no? Firstly. And if so why? Or if not, why? So this is the model, you transfer this across regions, does that make sense?

Yes, I think it, I believe the answer is yes.

Mmm.

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With some sort of local flavor, does that make sense?

Yeah.

The struggle, the challenge that I have, when I sit here in Headquarters and we do our annual calibration of staff each year, if we are working up the same framework and we have our teams, most of the people are actually outside of the US it helps us so if we work of one framework regardless of what country you stand in.

Yeah.

The only challenge I have with that is, you know when it comes to say studying, merit or studying you know, or whatever we give them on their, on their annual performance piece, we have to follow to the local market guidelines. So we all, we all talk of the same framework, we analyze people, we say you're high performers or whatever but then I have, I can't give them the corporate guidelines, I have to follow the local market guidelines.

Mmm.

It's kind of strange situation here, we are talking of the same framework, but then you have the markets influencing a piece of it.

Ok.

That make sense?

Yeah. So you think it's a good thing that everyone is talking around the same framework but you need the local relevance?

Yeah, you need a local relevance piece, yeah. So it's good that everyone is speaking the same language, cause that's important when you are trying to do the high, you know the cross-cultural.

Yeah.

Sort of cross-functional moving high performers around, like what is a high performer from a leadership model stand point, this is what, this is what that looks like. You can talk that same language but I think there still needs to be some type of local relevance piece. But I don't know what that looks like. So...

Yeah. Ok, ok, and you're already, which is good, answering question b.

**Q5 b) Factors**

If you feel a universal model makes sense, what factors would ensure that this model is effective in a multinational environment? So one is the local relevance?

Mmm.

I mean just to, make you think a little bit, maybe, how about training?

Oh, absolutely. That was actually going to be my first thing. So, we, as a company, when we pushed out something new, like for example the values, but values just got added to plan to win this year.

**Appendix A Respondent documentation – Page 85 Transcript 6**

Yeah.

It was last year, sorry. You know, it wasn't really discussed that much outside of the US.

Yeah.

Like they popped up on the radar, like, oh, wow, what's this? You know, no one really talked about it, and so it's this, if we do this on a universal model it has to be heavy training, people go in the market answering questions how this is won, you know, what are your concerns, so training I would say is my number one concern on that.

And is that done enough?

No.

No.

Whenever I in market it I just always get funny comments, oh, all the secrets in Headquarters.

Yeah.

That's no secret, it's a goal. We just heard through another market that you guys are doing this. And we're think we are communicating ineffectively and we're not. So there's a perception in here working it out of all the information, we're sharing it as best as we can but out on the market they don't think we sharing very well from the others perspectives

Yeah, so it's communication, it's training, it's communication, it's local relevance.

Mmm, yeah.

Ok, anything else that makes it successful? How about, when you're putting this together, when the leadership institute is putting something like this together, drawing in the expertise from around the globe?

Yeah, I would say you, you want some examples of successful people at C3 that demonstrate these, these competencies.

Role models?

Role models, that's always been ok, for example, so and so comes in and gives four hours of their time.

Yeah.

Comes in, gives four hours of their time, in an leadership institute, here is how I have been successful.

Yeah.

Looking at these competencies, to me, that's the most impactful.

Yeah, yeah.

**Appendix A Respondent documentation – Page 86 Transcript 6**

Because a lot of people say, you know, I want, eventually I want to be in that level.

Yeah.

But that person obviously started from one level and then made their way up.

Yeah, sure.

That's how they do it.

Yeah, yeah.

So, yeah.

Excellent, anything else you want to say to me, C3 / L12?

No.



Appendix B Sample of demographics table – Page 1

	A: Age	B: Corporate ...	C: Corporatio...	D: Current Co...	E: Fit Betwee...	F: Gender	G: Intercultur...	H: Languages	I: Nationality	J: Number of ...	K: Working in ...	L: Years in C...
1: Cases/C1.01	43	UK	1	UK	Exactly	Male	High	3	English	8	Yes	7
2: Cases/C1.02	49	UK	1	Germany	More or Less	Male	Low	2	German	3	Yes	27
3: Cases/C1.03	45	UK	1	Germany	Exactly	Female	High	4	Dutch	5	No	20
4: Cases/C1.04	39	UK	1	Germany	Exactly	Male	High	2	German	None	Yes	7
5: Cases/C1.05	41	UK	1	NL	More or Less	Female	High	3	Dutch	2	Yes	18
6: Cases/C1.06	32	UK	1	UK	More or Less	Female	High	3	English	None	Yes	8
7: Cases/C1.07	38	UK	1	Germany	Exactly	Female	Low	4	German	6	Yes	10
8: Cases/C1.08	50	UK	1	NL	More or Less	Male	High	1	English	5	No	22
9: Cases/C1.09	52	UK	1	NL	More or Less	Male	High	4	English	8	No	4
10: Cases/C1.10	46	UK	1	NL	More or Less	Female	High	2	Dutch	1	Yes	23
11: Cases/C1.11	46	UK	1	Germany	More or Less	Male	High	2	German	5	Yes	15
12: Cases/C1.12	52	UK	1	Germany	More or Less	Male	High	2	German	Many	Yes	22
13: Cases/C1.13	52	UK	1	Germany	More or Less	Female	Medium	4	English	1	Yes	7
14: Cases/C1.14	40	UK	1	Germany	More or Less	Female	High	4	German	4	Yes	11
15: Cases/C1.15	44	UK	1	Germany	More or Less	Female	High	4	English	4	No	1
16: Cases/C2.01	40	UK	2	UK	Marginally	Male	Low	1	English	5	Yes	14
17: Cases/C2.02	46	Germany	2	Germany	More or Less	Female	Low	3	German	5	Yes	18
18: Cases/C2.03	45	Germany	2	Germany	Marginally	Male	Medium	4	German	5	Yes	11
19: Cases/C2.04	49	Germany	2	Germany	More or Less	Male	High	1	Australian	2	No	6
20: Cases/C2.05	45	Germany	2	Germany	No Comment	Male	Low	3	German	Many	Yes	8
21: Cases/C2.06	41	Germany	2	Germany	More or Less	Male	Low	2	German	Many	Yes	8
22: Cases/C2.07	46	Germany	2	Germany	More or Less	Male	High	2	English	3	No	17
23: Cases/C2.08	42	Germany	2	Germany	More or Less	Male	High	3	German	Many	Yes	10
24: Cases/C2.09	31	Germany	2	UK	More or Less	Female	High	3	English	2	No	5
25: Cases/C2.10	47	Germany	2	Canada	More or Less	Male	Low	3	Canadian	3	Yes	2
26: Cases/C3.01	31	US	3	UK	More or Less	Female	High	4	English	2	Yes	5
27: Cases/C3.02	46	US	3	Germany	More or Less	Male	High	2	German	Many	Yes	20
28: Cases/C3.03	38	US	3	Germany	Exactly	Female	High	1	Australian	2	No	23
29: Cases/C3.04	38	US	3	Germany	More or Less	Female	High	1	Australian	2	No	23
30: Cases/C3.05	29	US	3	Germany	Marginally	Male	High	5	German	None	Yes	5
31: Cases/C3.06	42	US	3	Germany	More or Less	Female	Medium	3	German	Many	Yes	15
32: Cases/C3.07	39	US	3	Germany	Exactly	Female	High	4	German	None	Yes	11
33: Cases/C3.08	49	US	3	Poland	Exactly	Male	Medium	3	Polish	2	Yes	11

**Appendix B Database integration between interview content and participant demographics – Page 2**

**Care Properties**

Attribute	Value
Age	32
Corporate Home Country	UK
Corporation Number	1
Current Country	UK
Fit Between Model & Need	More or Less
Gender	Female
Intercultural Experience	High
Languages	3
Nationality	English
Number of Cultures Reporting	None

**Cases**

Name	Sources	References	Created On
C1.01	3	5	06/04/2009 14:30
C1.02	4	4	06/04/2009 14:25
C1.03	3	3	06/04/2009 14:25
C1.04	3	7	06/04/2009 14:25
C1.05	3	3	06/04/2009 14:25
C1.06	3	4	06/04/2009 14:25
C1.07	3	3	06/04/2009 14:25
C1.08	3	5	06/04/2009 14:25

Reference 1 - 100.00% Coverage  
[0.00.0 - 34.33.8]

Reference 2 - 100.00% Coverage

The way that success is rewarded based on culture...certain cultures want to be publicly rewarded and publicly praised others actually feel quite uncomfortable with that concept and would rather it be something much more modest...the ability to communicate in a way that others expect communication to be is probably one of the most critical things...the behaviours they have been taught to value start to undermine their own confidence in themselves...they are not easy at all in multicultural teams...this model is more suitable for a western environment...they are good behaviours to have anywhere...but I think it's going to be more challenging from a cultural perspective to implement them in the way they are stated in an eastern culture...

Reference 1 - 100.00% Coverage

**Interview Questions**

**Who they are**

**What participants said**

**Appendix C Holistic approach taken to the participant through linking audio sound bytes, the transcribed interview with field notes and observations**  
 Page 1

The screenshot displays the LCM Project software interface. At the top, a menu bar includes 'File', 'Edit', 'View', 'Go', 'Project', 'Links', 'Code', 'Format', 'Tools', 'Window', and 'Help'. Below the menu is a toolbar with various icons for navigation and editing. The main workspace is divided into several panes:

- Annotations Table:** A table with columns 'Source Name' and 'Number'. It lists several entries with source names like 'C1.01', 'C1.02', 'C1.04', 'C1.05', and 'C1.06', and numbers ranging from 1 to 3. A blue arrow labeled 'Transcribed Interview' points from the top of this table to the 'In Folder' pane.
- In Folder Pane:** A list of files with names like 'Internals/Transcripts/C1' and timestamps such as '11:05:2009 09:51', '30:04:2009 13:01', '30:04:2009 21:09', '30:04:2009 22:43', and '01:05:2009 00:36'. A blue arrow labeled 'Observation' points from this pane to the 'Annotations' table.
- Annotations Detail Pane:** Shows details for a selected annotation (C2.01). It includes a 'Look for:' field, a 'Search In' dropdown, and a 'Find Now' button. Below this, it displays the text of the annotation: 'Relationship orientation - appeals "delegates tasks" and "challenging" seems quite German as required. Too long - loss of interest Helicopter perspective'. A blue arrow labeled 'Content of Observation' points from this pane to the 'Annotations' table.
- Annotations List Pane:** A list of annotations with a 'Content' column. The first entry is 'Views the national culture as dominant'. A blue arrow points from this pane to the 'Annotations' table.
- Links Pane:** Located at the bottom left, it contains a list of links: 'Memo Links', 'See Also Links', and 'Annotations'.
- Navigation Pane:** Located at the bottom right, it contains a list of navigation options: 'Sources', 'Nodes', 'Sets', 'Queries', 'Models', 'Links', 'Classifications', and 'Folders'.

**Appendix C Integration of audio recordings which were coded directly to themes (nodes) - Page 2**

The screenshot displays the NVivo software interface. At the top, a blue box contains the text "Audio Recordings Synchronised Transcripts". Two blue arrows originate from this box: one points to a list of nodes in the "Nodes" pane, and the other points to an audio waveform in the "Content" pane. The "Nodes" pane shows a list of nodes with their names and associated dates:

Name	Nodes	Date
C1.01	62	24/04/2009 21: 01:07/2010 13:42
C1.02	7	24/04/2009 21: 01:07/2010 13:42
C1.03	7	07/04/2009 19: 01:07/2010 13:42
C1.04	9	
C1.05	8	
C1.06	8	
C1.07	7	
C1.08	8	

The "Content" pane shows an audio waveform with a time span of 0:00:0 - 0:01:9. Below the waveform, the "Interview Questions" section displays:

Interview Number: S1,  
**Q1**  
**On the basis of your experience, describe what competencies and behaviours are essential for leading in a multinational environment.**  
 Competencies: Behaviours  
 Attributes: Characteristics  
 Being articulate (to the point -> not saying things over and over again)  
 Neutral in terms of opinion

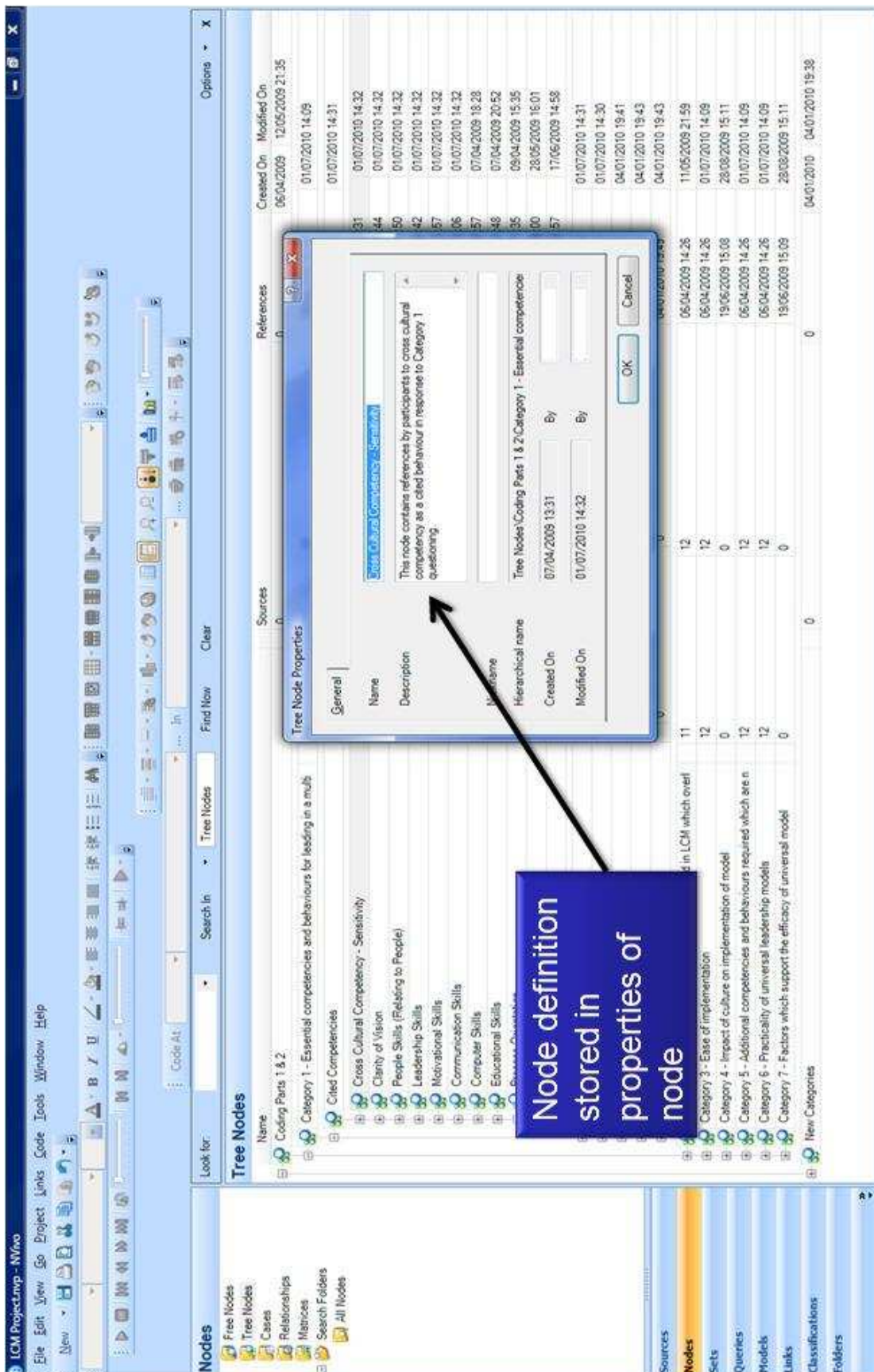
**Appendix D Contextualisation of interviews through the use of linked memos**

The screenshot shows the NVivo software interface with the following components:

- Top Panel:** A blue callout box with white text reads "Physically linked memo offering broad contextualisation of interview".
- Left Panel:** A vertical toolbar with various icons for file operations and search.
- Search Results Table:** A table with columns for Name, Nodes, and a date/time column. The search term "C1" is entered in the search bar.
- Bottom Panel:** A navigation pane showing a tree view of sources including Internals, Audios, Literature, Transcripts, External, Memos, Search Folders, and All Sources.

Name	Nodes	Date/Time
C1.01	62	01/07/2010 13:40
C1.02	7	06/04/2009 14:00
C1.03	7	01/07/2010 13:40
C1.04	9	01/07/2009 19:00
C1.05	8	04/07/2009 17:00
C1.06	8	04/07/2009 17:00
C1.07	7	01/07/2010 13:41
C1.08	8	
C1.09	13	
C1.10	10	
C1.12	44	
C1.13	1	
C1.14	3	
C1.15	1	

**Appendix E Definition of a theme (node) to ensure consistency against stated definitions**



**Appendix F Forging of links between the primary data and the literature**

The screenshot shows the LCM ProjectLamp - Nivo software interface. The main window displays a project structure on the left and a table of memos in the center. The project structure includes folders for Internals, Audio, Literature, Lit Review, Transcripts, Externals, Memos, Search Folders, All Sources, and All Sources Not Embedded. The table of memos has columns for Name, Nodes, and References. The 'Name' column lists 'Category 2 - Behaviour - Shared Vision - Associated', 'Translate Strategy & Goals into everyday use', and 'Identity & Communicate Strategic Drivers'. The 'Nodes' and 'References' columns show counts of 0 for each row. A 'Literature list 2009' is also visible at the bottom of the table.

Annotations in blue boxes highlight specific elements:

- General literature & journal articles**: Points to the 'Lit Review' folder in the project structure.
- Coded Literature Review**: Points to the 'Lit Review' folder in the project structure.
- Integrated literature within the database**: Points to the 'Literature list 2009' at the bottom of the table.

Text annotations provide context:

Geert Hofstede defines culture as the "collective programming of the mind which distinguishes the members of one group or category of people from another" (Geert Hofstede (1994), "Cultures and organizations: Software of the Mind"). Hofstede expands the concept of "collective programming" by suggesting that culture could be situated between human nature, which is neither programmed nor programmable, on the one side and the individual's personality on the other.

Another concept of culture is put forward by Edward T. Hall. In his view culture is often subconscious and comparable to an invisible control mechanism operating in our thoughts: "Culture has always dictated where to draw the line separating one thing from another. These lines are arbitrary, but once learned and internalised they are treated as real." (Hall (1983), "The Dance of Life. The Other Dimension of Time").

Spencer-Oatey introduces a number of additional factors apart from values and resultant behaviour/artefacts, including a description of the functions performed by "culture": "Culture is a fuzzy set of attitudes, beliefs, behavioural norms, and basic assumptions and values that are shared by a group of people, and that influence

**Appendix G Free nodes containing all content gathered from all participants under each category**

The screenshot displays the LCM ProjectLmp - NView interface. The main window shows a 'Free Nodes' table with columns for Name, Description, Sources, References, Created On, and Modified On. A blue arrow points from the 'Categories gathered into free nodes (broad themes)' annotation to the 'Category 1' row in the table. Another blue arrow points from the 'Coded content' annotation to the 'Summary' window.

Name	Description	Sources	References	Created On	Modified On
Category 1		12	12	12/05/2009 21:22	01/07/2010 14:10
Category 2		10	10	12/05/2009 21:23	12/05/2009 21:23
Category 3		12	12	12/05/2009 21:22	01/07/2010 14:10
Category 4		12	12	12/05/2009 21:22	01/07/2010 14:10
Category 5		12	12	12/05/2009 21:22	01/07/2010 14:10
charge		34	142	10/07/2009 20:10	10/07/2009 20:10
Check on Authenticity - See ann		11	17	08/05/2009 12:26	08/05/2009 12:26
Clarity		8	12	05/05/2009 22:41	05/05/2009 22:42

The 'Summary' window displays the following content:

**Reference 1 - 0-10% Coverage**  
[Internal\Audios\IC1\012 - \\$ 1 reference coded \[0-10% Coverage\]](#)

**Q1**  
 On the basis of your experience, describe what competencies and behaviours are essential for leading in a multinational environment.

**Competencies (Forgiveness)**  
 Behaviours: Attributes/Characteristics  
 Being articulate (to the point ->not saying things over and over again)  
 Neutral in terms of opinion

**Clarity on own vision**  
 Being concise  
 Being objective  
 Listen to other people

**Transfer / Translate own vision (definitely more important in multinational environment)**  
 approaching your goal from different angles (sometimes you have to be directive to get the point across, sometimes not -> depends on people and cultures)  
 Example: English <-> Chinese - you can't communicate to both cultures in the same style (would be offending for the one or flakey for the other)  
 Translate to people in multinational environment  
 Firm but fair

**Empathise - different ways of behaving**  
 Formulate opinion and never sacrifice own goal/opinion

**Ability of**  
 Open to discussion  
 Guide  
 Must be

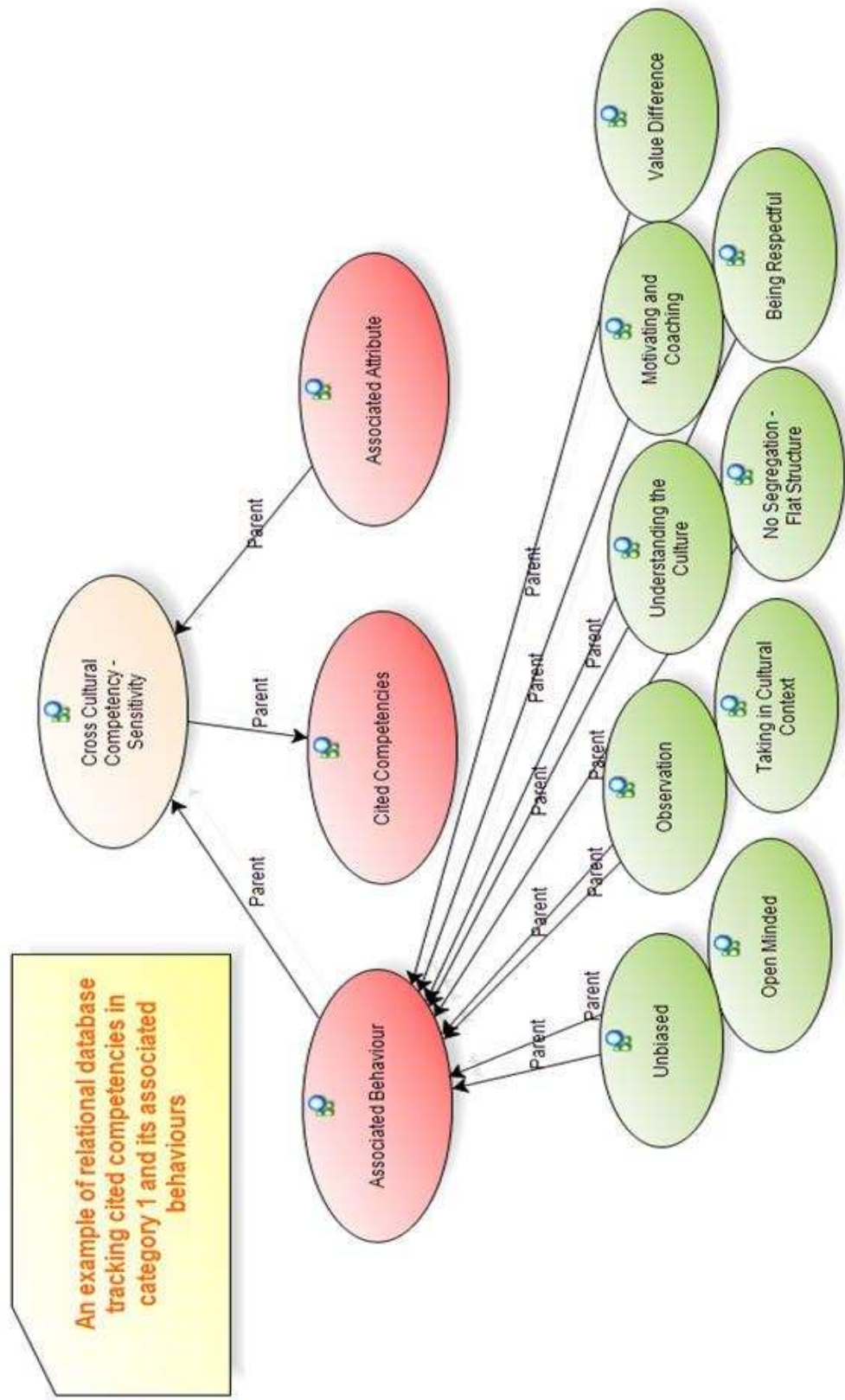


**Appendix H Example of coding hierarchy**

**Coding Hierarchy**  
**Top level – Category 1**  
**Second level – Cited Competencies**  
**Third level – Associated Behaviours**  
**Over 1200 tree nodes were coded during the analytical processes**

Node Name	Sources	References	Created	Modified On
Category 1 - Essential competencies and behaviours for leading in a multinational environment based on executives' experience	14	15	06/04/2009 14:09	01/07/2010 14:09
Cited Competencies	0	0	06/04/2009 16:00	08/04/2009 22:23
Cross Cultural Competency Sensitivity	30	137	07/04/2009 1:22	06/04/2009 15:22
Associated Behaviour	0	0	07/04/2009 1:06	06/04/2009 16:48
Talking in Global Context	7	8	06/04/2009 1:01	01/07/2010 14:09
Observation	5	7	06/04/2009 1:01	01/07/2010 14:09
Open Minded	5	5	06/04/2009 2:15	15/06/2009 15:18
Unbiased	6	7	06/04/2009 2:28	28/05/2009 16:06
Value Difference	11	13	06/04/2009 2:18	06/06/2009 09:09
Motivating and Coaching	2	2	07/04/2009 1:07	07/04/2009 13:28
No Segregation - Flat Structure	1	1	07/04/2009 2:07	07/04/2009 20:52
Understanding the Culture	1	1	09/04/2009 1:09	09/04/2009 15:35
Being Respectful	1	1	28/05/2009 1:28	28/05/2009 16:01
Allowing for Different Working Styles	1	1	17/06/2009 1:17	17/06/2009 14:58
Associated Attribute				
Germans on cultural competence				
English on cultural competence				
Clarity of Vision				
People Skills (Relating to People)				
Leadership Skills				
Motivational Skills				
Communication Skills				
Computer Skills				
Educational Skills				
Process Orientation				
Standing up for Beliefs				
Clear Language				

**Appendix I Example of relationship nodes tracking competencies and their related behaviours**



**Appendix J Example of a set made from sources grouped by corporation**

The screenshot shows the LCM Projectwup - MView interface. On the left, a 'Sets' list includes items like 'all English', 'all Germans', 'all US', 'C1', 'C2', 'C3', 'Critical of model - cat2', 'English not working for C1', 'Germans not working for C', 'Missing Yes-No Men (2)', 'Model exactly right', 'Non C1 all Nationalities', and 'Non C1 English'. The 'C1' set is selected. The main window displays a table of 'Cases' for 'C1' with columns for Name, In Folder, Created On, and Modified On. Two blue callout boxes with arrows point to the 'C1' set in the list and the 'C1' cases table. The first callout box contains the text 'Corporations grouped into 'sets' by corporation'. The second callout box contains the text 'All Sources (Audio, Transcripts, Field notes and Observations'.

Name	In Folder	Created On	Modified On
C1.01	Cases	06-04-2009 14:30	01-07-2010 14:09
C1.02	Cases	06-04-2009 14:25	01-07-2010 14:10
C1.03	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.04	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.05	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.06	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.07	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.08	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.09	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.10	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.11	Cases	06-04-2009 14:25	01-07-2010 13:24
C1.12	Cases	06-04-2009 14:25	01-07-2010 13:24

**Appendix K Example of 'cross-coding' as a part of the coding strategy for this study**

The screenshot displays the NVivo software interface. On the left, the 'Tree Nodes' pane shows a hierarchy of nodes. A blue callout box labeled 'Category 1 to 7' points to the 'Coding Parts 1 & 2' node. Another blue callout box labeled 'Content of Category 1' points to the first node in the list: 'Category 1 - Essential competencies and behaviours for leading in a multinational environment based on evidence'. A third blue callout box labeled 'Other Nodes Cross Coded to From Category 1' points to the remaining nodes in the list: 'Category 2 - Competencies and behaviours comprised in LCM which overlap or are in addition to essential competencies and behaviours for leading in a multinational environment based on evidence', 'Category 3 - Ease of implementation & Category 4 - Impact of culture on implementation of model', 'Category 5 - Additional competencies and behaviours required which are not included in the LCMs', 'Category 6 - Practicality of universal leadership models & Category 7 - Factors which support the efficacy of universal model', and 'Category 8 - Practicality of universal leadership models & Category 7 - Factors which support the efficacy of universal model'.

The main text window shows the content of 'Category 1'. The text includes: 'a multinational environment.', 'Competencies (Forgiveness) Neutral in terms of opinion', 'Clarity on own vision Being concise Being articulate (to the point ->not saying things over and over again)', 'Being objective Listen to other people', 'Transfer / Translate your vision (definitely more important in multinational environment) Ability of approaching your goal from different angles (sometimes you have to be directive to get the point across, sometimes not -> depends on people and cultures)', 'Example: English <-> Chinese - you can't communicate to both cultures in the same style (would be offending for the one or flakey for the other) Being respectful', 'Translate to people in multinational environment Open to discussion Firm but fair', and 'Empathise - different ways of behaving Formulate opinion and never sacrifice own goal/opinion'.

On the right side of the interface, a 'Summary' window shows a hierarchical list of terms: 'Forgiveness', 'Clarity of Vision', 'Culturally Neutral Attitude', 'Flexibility (operating in different cultures)', 'People Skills (Relating to People)', 'Communication', 'Communication - Being Articulate', 'Check on Authenticity - See annotations', 'Translating Vision', 'Coaching & Guidance Skills', 'S7', 'S9', 'S8', 'S2', 'S11', 'S5', 'S4', 'S3', and 'Coding Density'.

**Appendix L Example of generation of proposition statements**

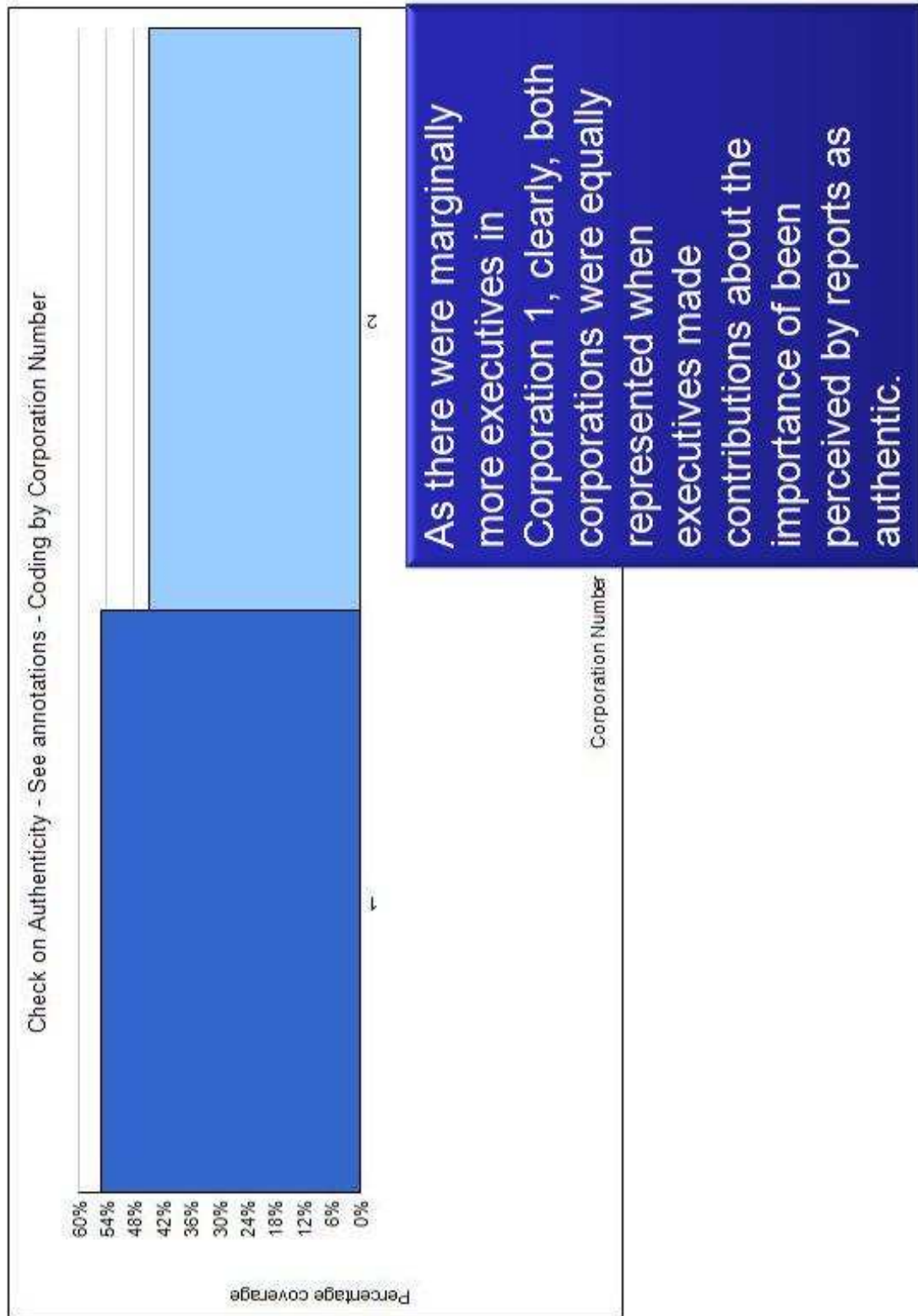
The screenshot displays the NVivo software interface for LCM Project.nvp. The main window shows a list of nodes under the 'Tree Nodes' section. Two blue callout boxes highlight specific nodes:

- Synthesised Proposition Statement at top level**: Points to the node 'Behaviour - Shared Vision'.
- Proposition Statements at bottom level (linked to memos leading to findings)**: Points to the node 'Ability to Articulate'.

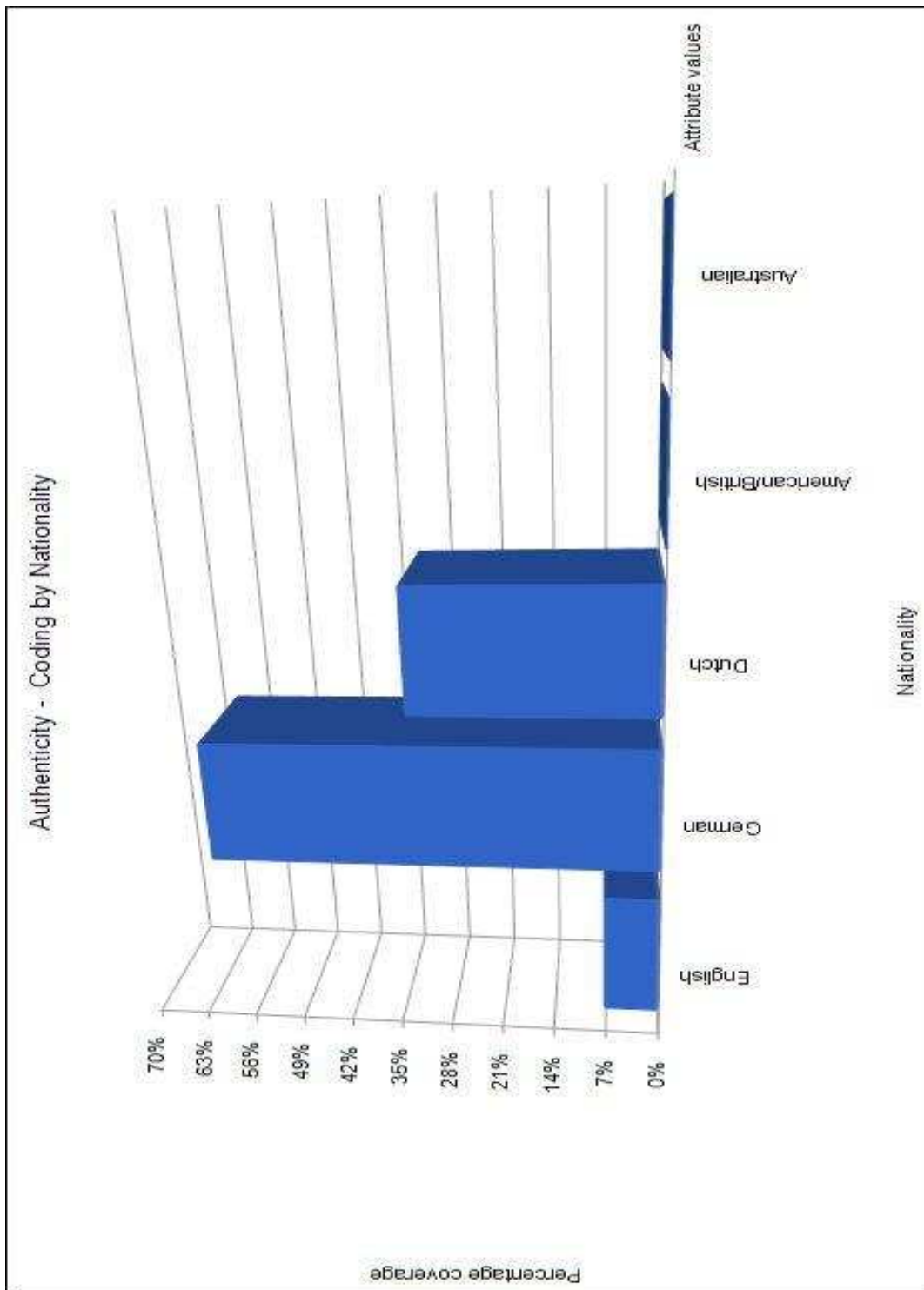
The table below represents the data shown in the 'Tree Nodes' section:

Name	Sources	References	Created On	Modified On
Coding Parts 1 & 2	0	0	06/04/2009	12/05/2009 21:36
Category 1 - Essential competencies and behaviours for leading in a multi...	14	15	06/04/2009 14:26	01/07/2010 14:09
Category 2 - Competencies and behaviours comprised in LCM which overli...	11	12	06/04/2009 14:26	11/05/2009 21:59
Behaviour - Shared Vision	1	1	28/04/2009 23:47	18/06/2009 23:15
Associated Competency	0	0		
Ability to Articulate	3	3	30/04/2009 14:11	18/06/2009 23:15
Ability to Empathise	1	1	30/04/2009 14:12	18/06/2009 23:44
Power of Persuasion	3	3	30/04/2009 14:12	18/06/2009 23:15
Ability to Persuade a Team	6	7	30/04/2009 15:30	05/06/2009 21:42
Ability to Build a Shared Vision	4	4	30/04/2009 15:31	18/06/2009 23:45
Ability to Communicate Goals	9	10	30/04/2009 15:31	18/06/2009 23:45
Change Tolerance	5	5	30/04/2009 15:31	18/06/2009 23:45
Ability to Motivate	3	4	30/04/2009 15:31	18/06/2009 23:45
Ability to Set Compelling Goals	4	4	30/04/2009 15:31	18/06/2009 23:45
Ability to Lead Change	6	7	30/04/2009 15:31	18/06/2009 23:45
Ability to Plan	2	2	30/04/2009 15:31	18/06/2009 23:45
Resilience	1	1	30/04/2009 15:31	18/06/2009 23:45
Business Intelligence	3	3	30/04/2009 15:31	18/06/2009 23:45
Ability to Inspire	2	2	30/04/2009 15:31	18/06/2009 23:45
Ability to Act Global Think Local	1	1	30/04/2009 15:31	18/06/2009 23:45
Ability to Think Conceptually	2	2	30/04/2009 15:31	18/06/2009 23:45
Clarity of Understanding	4	4	30/04/2009 15:31	18/06/2009 23:45
Analytical Skills	1	1	30/04/2009 15:31	18/06/2009 23:45
Being Authentic	4	5	30/04/2009 15:31	18/06/2009 23:45
External Facing	1	1	30/04/2009 15:31	18/06/2009 23:45
Listening Skills	1	1	30/04/2009 15:31	18/06/2009 23:45
Mold Breaking	1	1	30/04/2009 15:31	18/06/2009 23:45
Ability to Connect Dots & Analyse Patterns	1	1	30/04/2009 15:31	18/06/2009 23:45
Ability to Understand Strategic Direction	6	7	30/04/2009 15:31	18/06/2009 23:45
Ability to Travel, Stay, & Go, as Ever...	7	8	30/04/2009 15:31	18/06/2009 23:45

**Appendix M Proportionately equal representation from two corporate entities coded to 'Authenticity'**



**Appendix N Executives dividing along national rather than corporate lines**



## Appendix O Hofstede Index scores and ranks

	Power distance		Individualism		Masculinity		Uncertainty avoidance	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Argentina	49	35-6	46	22-3	56	20-1	86	10-15
Australia	36	41	90	2	61	16	51	37
Austria	11	53	55	18	79	2	70	24-5
Belgium	65	20	75	8	54	22	94	5-6
Brazil	69	14	38	26-7	49	27	76	21-2
Canada	39	39	80	4-5	52	24	48	41-2
Chile	63	24-5	23	38	28	46	86	10-15
Colombia	67	17	13	49	64	11-12	80	20
Costa Rica	35	42-4	15	46	21	48-9	86	10-15
Denmark	18	51	74	9	16	50	23	51
Equador	78	8-9	8	52	63	13-14	67	28
Finland	33	46	63	17	26	47	59	31-2
France	68	15-16	71	10-11	43	35-6	86	10-15
Germany (F.R.)	35	42-4	67	15	66	9-10	65	29
Great Britain	35	42-4	89	3	66	9-10	35	47-8
Greece	60	27-8	35	30	57	18-19	112	1
Guatemala	95	2-3	6	53	37	43	101	3
Hong Kong	68	15-16	25	37	57	18-19	29	49-50
Indonesia	78	8-9	14	47-8	46	30-1	48	41-2
India	77	10-11	48	21	56	20-1	40	45
Iran	58	19-20	41	24	43	35-6	59	31-2
Ireland	28	49	70	12	68	7-8	35	47-8
Israel	13	52	54	19	47	29	81	19
Italy	50	34	76	7	70	4-5	75	23
Jamaica	45	37	39	25	68	7-8	13	52
Japan	54	33	46	22-3	95	1	92	7
Korea (S)	60	27-8	187	43	39	41	85	16-17
Malaysia	104	1	26	36	50	25-6	36	46
Mexico	81	5-6	30	32	69	6	82	18
Netherlands	38	40	80	4-5	14	51	52	35
Norway	31	47-8	69	13	8	52	50	38
New Zealand	22	50	79	6	58	17	49	39-40
Pakistan	55	32	14	47-8	50	25-6	70	24-5
Panama	95	2-3	11	51	44	34	86	10-15
Peru	64	21-3	16	45	42	37-8	87	9
Philippines	94	4	32	31	64	11-12	44	44
Portugal	63	24-5	27	33-5	31	45	104	2
South Africa	49	36-7	65	16	63	13-14	49	39-40
Salvador	66	18-19	19	42	40	40	94	5-6
Singapore	74	13	20	39-41	48	28	8	53
Spain	57	31	51	20	42	37-8	86	10-15
Sweden	31	47-8	71	10-11	5	52	29	49-50
Switzerland	34	45	68	14	70	4-5	58	33
Taiwan	58	29-30	17	44	45	32-3	69	26
Thailand	64	21-3	20	39-41	34	44	64	30
Turkey	66	18-19	37	28	45	31-3	85	16-17
Uruguay	61	26	36	29	38	42	100	4
United States	40	38	91	1	62	15	46	43
Venezuela	81	5-6	12	50	73	3	76	21-2
Yugoslavia	76	12	27	33-5	21	48-9	88	8
Regions:								
East Africa	64	21-3	27	33-5	41	39	52	36
West Africa	77	10-11	20	39-41	46	30-1	54	34
Arab Countries	80	7	38	26-7	53	23	68	27

Source: Adapted from Culture's Consequences 2001 Exhibit A5.1 p500



## Appendix P GLOBE culture construct definitions

<i>Culture Construct Definitions</i>	<i>Specific Questionnaire Items</i>
<i>Power Distance:</i> The degree to which members of a collective expect power to be distributed equally.	Followers are (should be) expected to obey their leaders without questions.
<i>Uncertainty Avoidance:</i> The extent to which a society, organization, or group relies on social norms, rules and procedures to alleviate unpredictability of future events.	Most people lead (should be) highly structured lives with few unexpected events.
<i>Humane Orientation:</i> The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others.	People are generally (should be generally) very tolerant of mistakes.
<i>Collectivism I (Institutional Collectivism):</i> The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.	Leaders encourage (should encourage) group loyalty even if individual goals suffer.
<i>Collectivism II (In-Group Collectivism):</i> The degree to which individuals express pride, loyalty, and cohesiveness in the organization of families.	Employees feel (should feel) great loyalty toward this organization.
<i>Assertiveness:</i> The degree to which individuals are assertive, confrontational and aggressive in their relationship with others.	People are (should be) dominant in their relationships with each other
<i>Gender Egalitarianism:</i> The degree to which a collective minimizes gender inequality.	Boys are encouraged (should be encouraged) more than girls to attain a higher education. (Scored inversely.)
<i>Future Orientation:</i> The extent to which individuals engage in future-oriented behaviours such as delaying gratification, planning and investing in the future.	More people live (should live) for the present rather than for the future. (Scored inversely.)
<i>Performance Orientation:</i> The degree to which a collective encourages and rewards group members for performance improvement and excellence.	Students are encouraged (should be encouraged) to strive for continuously improved performance.

Source: GLOBE 2004 p30

**Appendix Q GLOBE society cluster samples**

<b>Anglo</b> Canada U.S.A. Australia Ireland England South Africa (White Sample) New Zealand	<b>Latina Europe</b> France Israel Italy Portugal Spain Switzerland (French-speaking)	<b>Nordic Europe</b> Denmark Finland Sweden	<b>Germanic Europe</b> Austria Germany (Former East) Germany (Former West) Netherlands Switzerland
<b>Eastern Europe</b> Greece Hungary Albania Slovenia Poland Russia Georgia Kazakhstan	<b>Latin America</b> Argentina Bolivia Brazil Colombia Costa Rica Ecuador El Salvador Guatemala Mexico Venezuela	<b>Sub-Saharan            Africa</b> Namibia Nigeria South Africa (Black sample) Zambia Zimbabwe	<b>Middle East</b> Egypt Kuwait Morocco Qatar Turkey
<b>Southern Asia</b> Philippines Indonesia Malaysia India Thailand Japan	<b>Confucian Asia</b> China Hong Kong Japan Singapore South Korea Taiwan		

Source: GLOBE 2004 Figure 10.1 p191

**Appendix R GLOBE society practices, 'As is' scores**

**Cultural Clusters Classified on Societal Culture Practices (As Is) Scores**

<b>Cultural Dimensions</b>	<b>High-Score Clusters</b>	<b>Mid-Score Clusters</b>	<b>Low-Score Clusters</b>	<b>Cluster-Average Range</b>
Performance Orientation	Germanic Europe Anglo			3.73-4.58
Assertiveness	Germanic Europe	Anglo		3.66-4.55
Future Orientation	Germanic Europe	Anglo		3.38-4.40
Humane Orientation		Anglo	Germanic Europe	3.55-4.71
Institutional Collectivism		Anglo	Germanic Europe	3.86-4.88
In-Group Collectivism			Germanic Europe Anglo	3.75-5.87
Gender Egalitarianism		Germanic Europe Anglo		2.95-3.94
Power Distance		Germanic Europe Anglo		4.54-5.39
Uncertainty Avoidance	Germanic Europe	Anglo		3.56-5.19

NOTE: Means of high-score clusters are significantly higher ( $p < 0.05$ ) than the rest, means of low score clusters are significantly lower ( $p < 0.05$ ) than the rest, and means of mid-score are not significantly different from the rest ( $p > 0.05$ ).

Source: Adapted from GLOBE 2004 Table 10.3 p193

**Higher Performance Orientation Societies Versus Lower Performance Orientation Societies**

Societies That Score Higher on Performance Orientation, Tend to:	Societies That Score Lower on Performance Orientation, Tend to:
<ul style="list-style-type: none"> <li>• Value training and development</li> <li>• Emphasize results more than people</li> <li>• Reward performance</li> <li>• Value assertiveness, competitiveness, and materialism</li> <li>• Expect demanding targets</li> <li>• Believe that individuals are in control</li> <li>• Have a “can-do” attitude</li> <li>• Value and reward individual achievement</li> <li>• Have performance appraisal systems that emphasize achieving results</li> <li>• View back as necessary for improvement</li> <li>• Value taking initiative</li> <li>• Value bonuses and financial rewards</li> <li>• Believe that anyone can succeed if he or she tries hard enough</li> <li>• Believe that schooling and education are critical for success</li> <li>• Value what you do more than who you are</li> <li>• Attach little importance to age in promotional decisions</li> <li>• Value being direct, explicit, and to the point in communications</li> <li>• Have a monochronic approach to time</li> <li>• Have a sense of urgency</li> </ul>	<ul style="list-style-type: none"> <li>• Value societal and family relationships</li> <li>• Emphasize loyalty and belongingness</li> <li>• Have high respect for quality of life</li> <li>• Emphasize seniority and experience</li> <li>• Value harmony with the environmental rather than control</li> <li>• Have performance appraisal systems that emphasize integrity, loyalty, and cooperative spirit</li> <li>• View feedback and appraisal as judgmental and discomforting</li> <li>• View assertiveness as socially unacceptable</li> <li>• Regard being motivated by money as inappropriate</li> <li>• View merit pay as potentially destructive to harmony</li> <li>• Value “attending the right school” as an important success criterion</li> <li>• Emphasize tradition</li> <li>• Have high value for sympathy</li> <li>• Associate competition with defeat and punishment</li> <li>• Value who you are more than what you do</li> <li>• Pay particular attention to age in promotional decisions</li> <li>• Value ambiguity and subtlety in language and communications</li> <li>• Have a polychronic approach to time</li> <li>• Have a low sense of urgency</li> </ul>

Source: GLOBE 2004 Figure 12.1 p245

**Higher Future Orientation Societies Versus Lower Future Orientation Societies**

Societies That Score Higher on Future Orientation, Tend to:	Societies That Score Lower on Future Orientation, Tend to:
<ul style="list-style-type: none"> <li>• Achieve economic success</li> <li>• Have a propensity to save for the future</li> <li>• Have individuals who are psychologically healthy and socially well adjusted</li> <li>• Have individuals who are more intrinsically motivated</li> <li>• Have organizations with a longer strategic orientation</li> <li>• Have flexible and adaptive organizations and mergers</li> <li>• View materialistic success and spiritual fulfillment as an integrated whole</li> <li>• Value the deferment of gratification, placing a higher priority on long-term success</li> <li>• Emphasize visionary leadership that is capable of seeing patterns in the face of chaos and uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>• Have lower levels of economic success</li> <li>• Have a propensity to spend now, rather than to save for the future</li> <li>• Have individuals who are psychologically unhealthy and socially maladjusted</li> <li>• Have individuals who are less intrinsically motivated</li> <li>• Have organizations with a shorter strategic orientation</li> <li>• Have inflexible and maladaptive organizations and managers</li> <li>• See materialistic success and spiritual fulfillment as dualities, requiring trade-offs</li> <li>• Value instant gratification and place higher priorities on immediate rewards</li> <li>• Emphasize leadership that focuses on repetition of reproducible and routine sequences</li> </ul>

Source: GLOBE 2004 Figure 13.1 p302

**Higher Gender Egalitarianism Societies Versus Lower Gender Egalitarianism Societies**

Societies That Score Higher on Gender Egalitarianism Tend to:	Societies That Score Lower on Gender Egalitarianism Tend to:
<ul style="list-style-type: none"> <li>• Have more women in positions of authority</li> <li>• Afford women a higher status in society</li> <li>• Afford women a greater role in community decision making</li> <li>• Have a higher percentage of women participating in the labor force</li> <li>• Have less occupational sex segregation</li> <li>• Have higher female literacy rates</li> <li>• Have similar levels of education of females and males</li> </ul>	<ul style="list-style-type: none"> <li>• Have fewer women in positions of authority</li> <li>• Afford women a lower status in society</li> <li>• Afford women no or a smaller role in community decision making</li> <li>• Have a lower percentage of women participating in the labor force</li> <li>• Have more occupational sex segregation</li> <li>• Have lower female literacy rates</li> <li>• Have a lower level of education of females relative to males</li> </ul>

Source: GLOBE 2004 Figure 14.2 p359

**Higher Assertiveness Societies Versus Lower Assertiveness Societies**

Societies That Score Higher on Assertiveness, Tend to:	Societies That Score Lower on Assertiveness, Tend to:
<ul style="list-style-type: none"> <li>• Value assertive, dominant, and tough behavior for everyone in society</li> <li>• Have sympathy for the strong</li> <li>• Value competition</li> <li>• Believe that anyone can succeed if he or she tries hard enough</li> <li>• Value success and progress</li> <li>• Value direct and unambiguous communication</li> <li>• Value being explicit and to the point in communications</li> <li>• Value expressiveness and revealing thoughts and feelings</li> <li>• Have relatively positive connotations for the term aggression (e.g. aggression helps to win)</li> <li>• Have a just-world belief</li> <li>• Try to have control over the environment</li> <li>• Stress equity, competition, and performance</li> <li>• Have a “can-do” attitude</li> <li>• Emphasize results over relationships</li> <li>• Value taking initiative</li> <li>• Reward performance</li> <li>• Expect demanding and challenging targets</li> <li>• Believe that individuals are in control</li> <li>• Value what you do more than who you are</li> <li>• Build trust on the basis of capabilities or calculation</li> <li>• Act and think of others as opportunistic</li> </ul>	<ul style="list-style-type: none"> <li>• View assertiveness as socially unacceptable and value modesty and tenderness</li> <li>• Have sympathy for the weak</li> <li>• Value cooperation</li> <li>• Associate competition with defeat and punishment</li> <li>• Value People and warm relationships</li> <li>• Speak indirectly and emphasize “face-saving”</li> <li>• Value ambiguity and subtlety in language and communications</li> <li>• Value detached and self-possessed conduct</li> <li>• Have far more negative connotations with the term aggression (e.g. aggression leads only to negative outcomes)</li> <li>• Have an unjust-world belief</li> <li>• Value harmony with the environment rather than control</li> <li>• Stress equality, solidarity, and quality of life</li> <li>• Emphasize tradition, seniority, and experience</li> <li>• Emphasize integrity, loyalty, and cooperative spirit</li> <li>• View “merit pay” as potentially destructive to harmony</li> <li>• Value who you are more than what you do</li> <li>• Build trust on the basis of predictability</li> <li>• Think of others as inherently worthy of trust</li> </ul>

Source: GLOBE 2004 Figure 15.1 p405

**Higher Individualism and Collectivism for Organizations Versus Lower Individualism and Collectivism for Organizations**

Organizations That Score High on Collectivism	Organizations That Score High on Individualism
<ul style="list-style-type: none"> <li>• Members assume that they are highly interdependent with the organization and believe it is important to make personal sacrifices to fulfill their organizational obligations</li> <li>• Employees tend to develop long-term relationship with employers from recruitment to retirement</li> <li>• Organizations take responsibility for employee welfare</li> <li>• Important decisions tend to be made by groups</li> <li>• Selection can focus on relational attributes of employees</li> <li>• Jobs are designed in groups to maximize the social and technical aspects of the job</li> <li>• Training is emphasized more than selection</li> <li>• Compensation and promotions are based on what is equitable for the group and on considerations of seniority and personal needs</li> <li>• Motivation is socially oriented, and is based on the need to fulfill duties and obligations and to contribute to the group</li> <li>• Organizational commitment is based on expectations of loyalty and in-group attitudes</li> <li>• Prosocial behaviors, or organizational citizenship behaviors, are more common</li> <li>• Avoidant, obliging, compromising, and accommodating conflict resolution tactics are preferred</li> <li>• Accountability for organizational successes and failures rests with groups</li> </ul>	<ul style="list-style-type: none"> <li>• Members assume that they are independent of the organization and believe it is important to bring their unique skill and abilities to the organization</li> <li>• Employees develop short-term relationships, and change companies at their own discretion</li> <li>• Organizations are primarily interested in the work that employees perform and not their personal or family welfare</li> <li>• Important decisions tend to be made by individuals</li> <li>• Selection focuses primarily on employees' knowledge, skills, and abilities</li> <li>• Jobs are designed individually to maximize autonomy</li> <li>• Selection is emphasized more than training</li> <li>• Compensation and promotions are based on an equity model, in which an individual is rewarded in direct relationship to his or her contribution to task success</li> <li>• Motivation is individually oriented and is based in individual interests, needs, and capacities</li> <li>• Organizational commitment is based on individuals' rational calculations of costs and benefits</li> <li>• Prosocial behaviors, or organizational citizenship behaviors, are less common</li> <li>• Direct and solution-oriented conflict resolution tactics are preferred</li> <li>• Accountability for organizational successes and failures rests with individuals</li> </ul>

Source: GLOBE 2004 Figure 16.2 p459

**Implications of Individualism and Collectivism for Leadership**

In Collectivistic Cultures	In Individualistic Cultures
<ul style="list-style-type: none"> <li>• Task-performance (P) leadership behaviors are perceived as being intimately related to relationship-maintenance (M) behaviors</li> <li>• Leadership behaviors associated with task functions (P) tend to focus on relational interactions and behaviors associated</li> <li>• Effective leaders are paternalistic and nurturant</li> <li>• Leader behaviors emphasize group maintenance activities and face saving</li> <li>• Leader prototypes reflect cultural values of interdependence, collaboration, and self-effacement</li> <li>• Charismatic leadership is highly valued</li> </ul>	<ul style="list-style-type: none"> <li>• Performance and maintenance behaviors are seen as more distinct</li> <li>• Leadership behaviors associated with relational functions (M) tend to focus more on the task than on in-group maintenance</li> <li>• Effective leaders are less directive and more autonomous</li> <li>• Leader behaviors emphasize individual discretion and task accomplishment</li> <li>• Leader prototypes reflect cultural values of being independent, strong willed, and forceful</li> <li>• Charismatic leadership is less valued</li> </ul>

Source: GLOBE 2004 Figure 16.3 p462

**Summary of Major Connotations and Variations of the Humane Orientation Differences in Terms of Organizational Practices and Values**

High Humane-Orientation Organizations	Low Humane-Orientation Organizations
<ul style="list-style-type: none"> <li>• Informal relationships</li> <li>• Social control based on shared values and norms</li> <li>• Practices reflect individualized considerations</li> <li>• Mentoring and patronage support</li> <li>• Organizations are trusted more and are autonomous in human resource practices</li> <li>• Organizations are relatively autonomous in their employee relations</li> <li>• Less influence of trade unions and the state on the business system</li> <li>• Higher emphasis on contractual sale of labor</li> <li>• Shareholder’s approach</li> <li>• Primary focus is on profits</li> <li>• Organizational members prefer to work with others to get jobs done</li> </ul>	<ul style="list-style-type: none"> <li>• Formal relationships</li> <li>• Social control based on bureaucratic practices</li> <li>• Practices reflect standardized considerations</li> <li>• Supervisory support</li> <li>• Organizations are controlled by legislation and unionization</li> <li>• Organizations are restricted in their employee relations by the concept of social patterns</li> <li>• Greater influence of trade unions and the state on the business system</li> <li>• Lower emphasis on contractual sale of labor</li> <li>• Stakeholders’ approach</li> <li>• Primary focus is on social responsibility</li> <li>• Organizational members prefer to be left alone to get jobs done</li> </ul>

Source: GLOBE 2004 Figure 18.11 p586



**Major Implications of Variations in Societal Humane Orientation for Humane-Oriented Leadership**

High Humane Orientation Societies	Low Humane Orientation Societies
<ul style="list-style-type: none"> <li>• More consideration and maintenance-oriented leadership</li> <li>• More benevolence exhibited in leadership</li> <li>• Individualized consideration</li> <li>• Duty orientation as a life-goal has high priority</li> <li>• Generous and compassionate leader attributes contribute to leader effectiveness</li> <li>• Holistic concern for the followers</li> <li>• Maintenance behaviors involve less task orientation and consultation</li> <li>• Relationships with subordinates are more informal and personal</li> </ul>	<ul style="list-style-type: none"> <li>• Less consideration and maintenance-oriented leadership</li> <li>• Less benevolence exhibited in leadership</li> <li>• Standardized relationships</li> <li>• Duty orientation as a life-Goal has low priority</li> <li>• Generosity and being compassionate do not contribute to leader effectiveness</li> <li>• Limited concern for the followers</li> <li>• Maintenance behaviors involve more task orientation and consultation</li> <li>• Relationships with subordinates are more formal and impersonal</li> </ul>

Source: GLOBE 2004 Figure 18.14 p590

**Appendix T Hofstede ranks/ index scores and GLOBE scores for the Netherlands, UK, US and Germany**

	PDI Rank	PDI Index	IDV Rank	IDV Index	MAS Rank	MAS Index	UAI Rank	UAI Index	LTO Rank	LTO Index
GER	42-44	35	15	67	9-10	66	29	65		31
NL	40	38	4-5	80	51	14	35	53		44
UK	42-44	35	3	89	9-10	66	47-48	35		25
US	38	40	1	91	15	62	43	46		29

**GLOBE Practices (Table B.2 page 742-744)**

	Assertiveness	Institutional Collectivism	In-Group Collectivism	Future Orientation	Gender Egalitarianism	Humane Orientation	Performance Orientation	Power Distance	Uncertainty Avoidance
GER	4,66	3,97	4,16	4,41	3,25	3,30	4,42	5,48	5,35
NL	4,46	4,62	3,79	4,72	3,62	4,02	4,46	4,32	4,81
UK	4,23	4,31	4,08	4,31	3,67	3,74	4,16	5,26	4,70
US	4,50	4,21	4,22	4,13	3,36	4,18	4,45	4,92	4,15

**GLOBE Values (Table B.2 page 744-747)**

	Assertiveness	Institutional Collectivism	In-Group Collectivism	Future Orientation	Gender Egalitarianism	Humane Orientation	Performance Orientation	Power Distance	Uncertainty Avoidance
GER	3,21	5,07	5,46	5,06	5,06	5,63	6,27	2,66	3,38
NL	3,13	4,76	5,39	5,24	5,10	5,41	5,71	2,61	3,34
UK	3,76	4,39	5,66	5,15	5,20	5,52	6,03	2,82	4,17
US	4,36	4,20	5,79	5,34	5,03	5,51	6,14	2,88	3,99

**Amended article pertaining to Company 1 Change Programme (Leadership Competency Model 1-LCM1)**

“The LCM1 is critical to our business success. If we don’t all adopt these behaviours, I believe we will never be number one again,” says the CEO.

For the first time, C1 now has a single set of behaviours for all its employees. This change programme has been introduced to ensure everyone in C1 is working together to deliver business success for the Group as it strives to regain its competitive edge and rebuild its reputation. The CEO says: “The behaviours in the LCM1 are not optional and they are not ‘nice to have’. They are critical to our business success and if we don’t all adopt them, I believe we will never be number one again.”

The behaviours, which have been drawn up by the CMD, bring together the work that has already been achieved in programmes such as XXX’ Winning Attributes and Behaviours and XX Globalisation and which is planned for XX and XX. The CEO says: “The change programme concentrates our attention on those specific behaviours which CMD believes are critical to improving our business results. Other behaviours – such as the XX Behaviours that define C1’s leadership competencies – are still important, as long as they match our purpose and values. As always, the key is demonstrating the change programme behaviours in practice, not just talking about them”.

In future, the CEO believes the LCM1 will drive many aspects of the way C1 does business, including the criteria used for recruitment and promotion.

“To the cynics who say we’ve heard all this before and nothing will change, I want them to know that every member of CMD is right behind LCM1 and will be leading from the front in living these behaviours,” he says. “We know everyone will be watching how we work together, the decisions we make, the people we appoint and promote and all our other actions to see if we are living up to the change programme. We most certainly will be. “We began at C1 Business Week, with public apologies for the mistakes that were made by the leadership in CMD and XX and with an acknowledgement that we must do better. We have taken another step by replacing individual scorecards for the businesses with a single scorecard for the whole Group for 2005. This scorecard puts the interests of the Group as a whole at the forefront of our thinking and our actions.”

**The case for change**

The case for change is compelling. In 1994 C1 was the number one XX company in the world in terms of market capitalisation; now, ten years on, C1 is number three. “Today, we have problems delivering our business plans and big projects, we have cost overruns and we have assets yielding unacceptable returns. On top of this, the XX has focused the attention of external stakeholders on C1’s culture, organisation, governance and business controls,” says CEO. According to CEO C1’s strategy is encapsulated in five simple words – “Performance Orientation for the Group”. XXX The CMD has identified how C1 can deliver its strategy and achieve its goal of regaining the number one spot.

This approach, called ‘The Way Forward’ has three key themes:

- Leadership, accountability and teamwork to create an the change programme culture;
- Globalisation and standardisation; and
- Delivering operational excellence.

“C1’s Way Forward means creating an external mindset with less introspection, setting realistic and achievable targets, and avoiding arrogance or complacency,” says CEO.

**The change programme**

So what are the behaviours in the LCM1? The name “Group First” refers to a culture in which everyone acts for the benefit of the Group as a whole, rather than for individual silos or for him- or herself. The key behaviours that the CMD has identified as leading to a Group First culture are demonstrating leadership, taking personal accountability and working as a team (see box on page 3). So in the workplace, the ‘Group First’ behaviours might be demonstrated by:

- Doing your own work as well as you possibly can;
- Helping others within your team, elsewhere in your business and in other C1 businesses when it is practical to do so;
- Taking decisions that deliver a net benefit to the C1 Group;
- Using Group-wide processes rather than inventing your own; and

## **Appendix U C1 Change Programme 2004 – Page 2**

- Accepting criticism and coaching and being prepared to constructively question the actions and behaviours of others.

“There is no benefit to C1 in people maximising local profits if they do it at others’ expense, for example by adding costs elsewhere in C1. Our external stakeholders are interested in the performance of the Group as a whole and that is what we must all focus on too,” says XX, CEO of XX Division. A single scorecard is not the only practical outcome of the move to the change programme. The leadership, accountability and teamwork behaviours will become an integral part of the reward, recognition and promotion system. The key to individual success will not only be ‘did you deliver’, but also ‘did you take decisions that benefited the Group as a whole, or did you succeed at others’ expense?’

### **Whose corporation are we talking about?**

Ultimately the Group in the change programme refers to the C1 Group of companies. So, the change programme is about making decisions that benefit C1 overall rather than an individual business, region, unit or team.

In practice, it is not always possible for every staff member to know whether something will ultimately benefit the C1 Group. The response is to ask employees always to think and act for their broader business unit.

So, division or department goals should be considered when making team decisions, and objectives of the business should be considered when contemplating regional strategy. In this way, the focus is always on the larger community.

### **A professional approach**

C1’s practice of moving people from job to job at frequent intervals will also change. “Too much job-hopping has given us a culture of the gifted amateur,” says CEO. “Whereas what we need – and what our external stakeholders expect – are professionals who understand and apply best practice without trying to reinvent the wheel all the time.”

C1 staff will also have to get better at sharing skills and resources across businesses, not only by creating Group-wide skill pools in key disciplines such as project management and XX, but also by releasing and empowering people to support other teams and businesses.

### **Embedding the change programme**

Going forward, the CMD is looking to decision-makers at all levels to help make C1 a coherent global organisation.

The CEO of XX division, says: “If we each work in our separate lines of business, never lifting our eyes to the wider C1 Group, let alone outside C1, we inevitably take local decisions that introduce greater and greater complexity and cost.” In his view, C1 is a global business that needs superefficient, standard, global processes – similar to those being introduced in XX division – so that as little time and intellectual effort as possible is spent on internal processes and as much time as possible looking outwards to customers and other stakeholders. “We are, after all, a commercial business, not a bureaucracy. To get back to number one, we have to be better at running a global business than our competitors,” CEO says. To help the CMD embed the change programme, a steering group led by Director of Human Resources, has been established. This group will focus on:

- Ensuring C1’s leaders act as role models for the new behaviours;
- Engaging everyone in C1 in the new change programme, beginning with senior leaders;
- Aligning the leadership education programme with the change programme; and
- Changing a wide range of key business processes around C1’s people, including recruitment, rewarding for performance, promotion and development.

“Change programmes normally have long lead times. In this case, when our reputation has taken such a knock and we face urgent business challenges, we do not have the luxury of time. We all know what we have to do. I think everyone will embrace the change programme concept quickly,” says CEO.

### **How will success be measured?**

According to the CEO, he will measure success by:

- First quartile comparisons with the competition in areas such as operational excellence, project delivery, unit costs, return on capital, cash and reputation;
- Total Shareholder Return;
- C1 People Survey results.

“What is the reward when we achieve this change in our company behaviours? The prize is that we become a disciplined, world-wide professional network that performs in the first quartile in everything we do. We will be proud of our achievements and of the Group we work for,” says CEO.

**Working to a common purpose**

“To achieve this step change in performance, we need all 119,000 C1 people working together to a common purpose – the delivery of operational excellence and business success for the Group. This is why LCM1 behaviours are fundamental to the task of taking C1 back to the top and why they are not separate from the hard business challenges we face, but an integral and critically important part of the way forward. This is also why we in CMD are leading the change programme and why we want everyone else in C1 to come with us on the journey back to being number one,” says CEO.

<b>THE CHANGE PROGRAMME – SO WHAT’S DIFFERENT?</b>	
<b>From</b>	<b>To</b>
My Business First Optionality Doing Business With Ourselves Overstretch Hardware Push Functional Complacency Technology Erosion Everywhere	One Corporation Standardised, Simplified Processes External Mindset Achievable Targets Market Pull Professional Excellence Technical Leadership Focus
<b>Individual Business Scores</b>	<b>One Group Score</b>

<b>THE BEHAVIOURS BEHIND LCM1</b>
<p><b>What does leadership mean?</b></p> <ul style="list-style-type: none"> <li>• We build shared vision.</li> <li>• <i>Focus:</i> We set clear priorities and reduce complexity.</li> <li>• <i>People:</i> We motivate, coach and develop.</li> <li>• <i>External Mindset:</i> We focus on customers, governments, key stakeholders.</li> </ul> <p><b>What does accountability mean?</b></p> <ul style="list-style-type: none"> <li>• <i>Drive:</i> We grasp opportunities with energy and take on tough challenges.</li> <li>• <i>Discipline:</i> We know the rules and stick to them.</li> <li>• <i>Delivery:</i> We reward success and address failures.</li> </ul> <p><b>What does teamwork mean?</b></p> <ul style="list-style-type: none"> <li>• <i>Capability:</i> We get the right skills and use them all.</li> <li>• <i>Challenge and support:</i> We strive for the right balance, neither cosy nor hostile.</li> </ul>

**Appendix V Associated competencies with LCMs behaviours – Page 1**

<b>Behaviour - Challenge</b>	<b>Agreement</b>	<b>Behaviour - Challenge</b>	<b>Agreement</b>
Communication Skills	14	Continuous Learning	1
Leadership Skills	12	Take Criticism	1
Situational Leadership Skills	11	Thinking outside the box	1
Performance Management	7	Being Adventurous	1
Change Tolerance	7	Over Achieving	1
Awareness of Cultural Differences	7	Being Proactive	1
Being Authentic	6	Execute - Implement	1
Managing Own Performance	5	Endurance	1
Courage	5	Being Respectful	1
Intercultural Competencies	5	Maximising Personal Objectives	1
Ability to Identify Goals	5	Optimising Resources	1
Honesty	5	Being a Role Model	1
Self Belief	4	Being Compliant	1
Openess	4	Self Confidence	1
Empathy	4	Being Resilient	1
Prepared to take on Conflict	3	Curiosity	1
Ability to Reflect	3	Worldly	1
Intercultural Tolerance	3	Modesty	1
Entrepreneurship	3	Structured Approach	1
Risk Management	3	Problem Solving Skills	1
Decision Making Skills	3	Ability to Analyse	1
Ability to Prioritise	3	Enterpreneurship	1
Being Idealistic	3	Power of Persuasion	1
Generating 'buy-in'	3	Understanding Needs	1
Being Credible	3	Relationship Orientation	1
Ability to Create a Positive Environment	3	Being Balanced	1
Openness	3	Ability to Coach	1
Cross Cultural Capabilities	2	Professionalism	1
Standing up for Beliefs	2	Ability to be Flexible	1
Experience	2	Ability to Address Failures	1
Consequence	2	Sensitivity	1
Being Assertive	2	Acceptance of Challenging	1
Ambition	2	Compassion	1
Self Criticism	2	Ability to Challenge	1
Sustainability	2	Power of Persuasion	1
Taking Responsibility	2	Understanding Needs	1
Outcome Orientation	2	Relationship Orientation	1
Stretching Towards Outcomes	2	Being Balanced	1
Ability to Motivate	2	Ability to Coach	1
Listening Skills	2	Professionalism	1

**Appendix V Associated competencies with LCMs behaviours – Page 2**

<b>Behaviour - Challenge</b>	<b>Agreement</b>	<b>Behaviour - Challenge</b>	<b>Agreement</b>
Being Open Minded	1	Ability to be Flexible	1
Cross Functional Capabilities	1	Ability to Address Failures	1
Being Understanding	1	Sensitivity	1
Being a Team Player	1	Acceptance of Challenging	1

<b>Behaviour - Capability</b>	<b>Agreement</b>	<b>Behaviour - Capability</b>	<b>Agreement</b>
Strategic Performance Management	8	Discipline	1
Communication Skills	6	Assertiveness	1
Ability to Assess	6	Ability to Coach	1
Leadership Skills	5	Being Collaborative	1
Ability to Deploy Current Team Skills	5	Ability to Network	1
Ability to Raise Performance Standards	5	Understanding Employee Capabilities	1
Intercultural Sensitivity	5	Having Excellent People	1
Ability to Communicate	5	Ability to Develop People	1
Clarity of Needs	5	Ability to be Flexible	1
Recognising the Value of Difference	4	Being Courageous	1
Self Awareness	4	Being Ambitious	1
Buy in	3	Being Observant	1
Ability to Delegate	3	Self Regulation	1
Presence	3	Personal Efficiency	1
Trust	3	Being Perceptive	1
Setting Goals	3	Optimising Resources	1
Ability to Support Employees	3	Being a Role Model	1
Ability to Give Feedback	3	Being Compliant	1
Ability to See Resources in Team	3	Making Things Happen	1
Business Intelligence	3	Gaining Cooperation	1
Ability to Conduct Gap Analysis	3	Discipline	1
Recognising Peoples' Limitations	2	Being Resilient	1
Organisational Awareness	2	Being Collaborative	1
Transparency	2	Worldly	1
Having a Good Mix of People in the Team	2	Leadership Skills	1
Ability to Collaborate	2	Courage to Stick to Rules	1
Creativity	2	Awareness of Cultural Interpretation of Rules	1
Ability to Judge Strengths & Weaknesses	2	Being Honest	1
Being Honest	2	Buy in	1
Ability to Persuade	2	Ability to Delegate	1
Being Open Minded	1	Presence	1
Being Diverse	1	Trust	1

**Appendix V Associated competencies with LCMs behaviours – Page 3**

<b>Behaviour - Capability</b>	<b>Agreement</b>	<b>Behaviour - Capability</b>	<b>Agreement</b>
Maturity	1	Organisational Awareness	1
Reward & Recognition	1	Setting Goals	1
Mutual Respect	1	Ability to be Fair	1
Being understanding	1	Ability to Give Feedback	1
Standing for Beliefs	1	Being Intellectual as a Handicap	1
Giving Time	1	Work Discipline	1
Being Available	1	Cross Cultural Capabilities	1
Guidance	1	Recognising Peoples' Limitations	1
Being Compliant	1	Communication Skills	1
Making Things Happen	1	Ability to Control Performance	1
Gaining Cooperation	1	Courage	1
Giving Direction - Orientation	1	Situational Leadership	1
Being Accessible	1	Identify Actions to Achieve Goals	1

<b>Behaviour - Delivery</b>	<b>Agreement</b>	<b>Behaviour - Delivery</b>	<b>Agreement</b>
Communication Skills	16	Positive Attitude	2
Leadership Skills	12	Entrepreneurship	2
Strategic Performance Management	9	Sustainability	2
Change Tolerance	7	Transparency	2
Awareness of Cultural Difference	7	Ability to Motivate	2
Results Orientated	7	Ability to Reward	2
Courage	7	Ability to Coach	2
Performance Management	6	Boldness	2
Being Authentic	6	Open Mindedness	2
Ability to Communicate Vision	6	Understanding Where Success is Located	1
Empathy	6	Applying the Rules	1
Honesty	6	Ability to Observe	1
Managing Own Performance	5	Ability to Build Scenarios	1
Setting Goals	5	Tenacity	1
Intercultural Competencies	5	Efficiency	1
Ability to Work Towards a Goal	5	Accepting & Acting on Process	1
Clarity of Vision	5	Desire to Motivate	1
Integrity	5	Leading by Influence	1
Conflict Management	5	Being Open Minded	1
Intercultural Tolerance	4	Being Understanding	1
Openness	4	Being a Team Player	1
Fairness	4	Continuous Learning	1
Cross Cultural Capabilities	3	Take Criticism	1
Cross Functional Capabilities	3	Thinking outside the Box	1



**Appendix V Associated competencies with LCMs behaviours – Page 4**

<b>Behaviour - Delivery</b>	<b>Agreement</b>	<b>Behaviour - Delivery</b>	<b>Agreement</b>
Taking Responsibility	3	Being Adventurous	1
Self Belief	3	Over Achieving	1
Ability to Reflect	3	Being Proactive	1
Ability to Delegate	3	Execute – Implement	1
Entrepreneurship	3	Endurance	1
Risk Management	3	Giving Time	1
Being Assertive	3	Being Available	1
Presence	3	Guidance	1
Trust	3	Being Respectful	1
Decision Making Skills	3	Maximising Personal Objectives	1
Ability to Analyse	3	Optimising Resources	1
Ability to Prioritise	3	Being a Role Model	1
Being Idealistic	3	Being Compliant	1
Being Credible	3	Making Things Happen	1
Analytical Skills	3	Gaining Cooperation	1
Openness	3	Giving Direction - Orientation	1
Ability to Translate & Adapt	2	Discipline	1
Accountability	2	Being Resilient	1
Standing up for Beliefs	2	Being Collaborative	1
Experience	2	Worldly	1
Consequence	2	Modesty	1
Ambition	2	Structured Approach	1
Assertiveness	2	Power of Persuasion	1
Self Confidence	2	Collective Approach	1
Organisational Awareness	2	Visibility	1
Curiosity	2	Identifying Mistakes	1
Self Criticism	2	Addressing Mistakes	1
Problem Solving Skills	2	Accelerating Success	1

**Appendix V Associated competencies with LCMs behaviours – Page 5**

<b>Behaviour - Discipline</b>	<b>Agreement</b>	<b>Behaviour - Discipline</b>	<b>Agreement</b>
Ability to Control Performance	8	Ability to Network	2
Communication Skills	6	Ability to Analyse	2
Accepting & Observing Rules	6	Desire to Comply	2
Integrity	6	Respect	2
Leadership Skills	5	Openness	2
Courage to Stick to Rules	5	Being Open Minded	1
Awareness of Cultural Interpretation of Rules	4	Cross Functional Capabilities	1
Being Honest	4	Being understanding	1
Buy in	3	Standing for Beliefs	1
Ability to Delegate	3	Giving Time	1
Presence	3	Guidance	1
Trust	3	Making Things Happen	1
Organisational Awareness	3	Giving Direction - Orientation	1
Setting Goals	3	Being Accessible	1
Ability to be Fair	3	Assertiveness (2)	1
Ability to Give Feedback	3	Visibility	1
Being Intellectual as a Handicap	3	Not Compromising on Standards	1
Work Discipline	3	Ability to be Efficient	1
Cross-Cultural Capabilities	2	Ability to Standardise & Simplify	1
Recognising People's Limitations	2	Assertiveness	0
Transparency	2		

<b>Behaviour - Drive</b>	<b>Agreement</b>	<b>Behaviour - Drive</b>	<b>Agreement</b>
Strategic Performance Management	9	Individualism	2
Communication Skills	8	Ability to Plan	2
Ability to Control Performance	8	Being Pro-active	2
Courage	7	Ambition	2
Situational Leadership	6	Business Intelligence	2
Identify Actions to Achieve Goals	6	Self motivation	2
Setting Goals	4	Ability to Persuade	2
Presence	4	Possessing Business Intelligence	2
Ability to be Fair	4	Leading by Influence	1
Ability to Empower	4	Being Open Minded	1
Cross-Cultural Literacey	3	Cross Functional Capabilities	1
Results Orientation	3	Communicating	1
Buy in	3	Multi- Cultural Intelligence	1
Ability to Delegate	3	Standing up for Beliefs	1
Trust	3	Giving Time	1
Organisational Awareness	3	Being Available	1

**Appendix V Associated competencies with LCMs behaviours – Page 6**

<b>Behaviour - Drive</b>	<b>Agreement</b>	<b>Behaviour - Drive</b>	<b>Agreement</b>
Ability to Give Feedback	3	Being Compliant	1
Not Delegating Important Things	3	Guidance	1
Ability to Address Difficult Issues	3	Resource Allocation	1
Accepting of Responsibility	3	Making Things Happen	1
Political Awareness	3	Gaining Cooperation	1
Assertiveness	3	Giving Direction - Orientation	1
Ability to Identify Opportunities	3	Being Accessible	1
Ability to Translate	3	Discipline	1
Cross Cultural Capabilities	2	Assertiveness	1
Accountability	2	Ability to Coach	1
Recognising People's Limitations	2	Being Collaborative	1
Transparency	2	Visibility	1
Empathy	2	Perceived Permission	1
Ability to Network	2	Self Confidence	1
Transparency	2	Passion	1
Ability to Analyse	2	Personal Efficiency	1
Being Decisive	2	Focused at the Right Level	1
Stretch Targets	2	Being Perceptive	1
Ability to Create Motivational Environment	2		

<b>Behaviour -External Mindset</b>	<b>Agreement</b>	<b>Behaviour - External Mindset</b>	<b>Agreement</b>
Customer Focus	15	Ability to Network	2
Communication Skills	11	Ability to Reflect	2
Client Customer Focus	7	Buy in	1
Entrepreneurship	6	Business Enabler	1
Strategic Perspective	6	Cost Consciousness	1
Being Innovative	5	Being Respectful	1
Trust	5	Ability to Delegate	1
Empathy	5	Openness	1
Customer Care as a Way of Life	4	Supporting the Brand	1
Client - Customer Satisfaction Monitoring	4	Being Insightful	1
Ability to be Creative	4	Clarity	1
Being Outward Looking	4	Loyalty	1
Business Intelligence	4	Extending Business Partnerships	1
Results Orientated	4	Balancing Interests	1
Cost Benefit Analysis	3	Being Cost Consciousness	1
Management Skills	3	Broad Outlook	1
Economic Awareness	3	Being Opportunistic	1
Ability to be Open Minded	3	Adding Value	1
Balancing Client Needs with Corporate Interests	3	Market Orientation	1

**Appendix V Associated competencies with LCMs behaviours – Page 7**

<b>Behaviour - External Mindset</b>	<b>Agreement</b>	<b>Behaviour - External Mindset</b>	<b>Agreement</b>
Ability to Focus on Relationships	3	Discipline	1
Multicultural Capabilities	2	Ability to Analyse - Critical Thinking	1
Expertise	2	Improving Processes	1
Strategic Acumen	2	Collective Approach	1
Having Goals	2	Courage	1
Teamwork	2	Ability to Persuade	1
Tolerance for New Ideas	2	Modesty	1
Performance Evaluation	2	Motivational Skills	1
Service Orientation	2	Credibility	1
Results Orientation	2	Ability to focus on Facts and Content	1
Structured Approach	2	Self Regulation	1
Interest in People	2	Self Awareness	1
Good Listening Skills	2	Flexible in Approach	1
Stakeholder Awareness	2	Ability to Challenge	1
Manage Expectations of Others	2	Ability and Propensity to Question	1
Awareness and Understanding of Others	2	Understanding Body Language	1

<b>Behaviour - People</b>	<b>Agreement</b>	<b>Behaviour - People</b>	<b>Agreement</b>
Intercultural Awareness & Sensibility	15	Promote Learning	2
Developmental Competencies	14	Management Skills	2
Ability to Team Motivate	13	Being Flexible	2
Ability to Identify Team Strengths & Weaknesses	9	Sustainability	2
Ability to Motivate	8	Transparency	2
Ability to Communicate	8	Peer Coaching	2
Clarity of Objectives	7	Being Open Minded	1
Empathy	7	Being Diverse	1
Intercultural Capabilities	6	Maturity	1
Ability to Coach	6	Language Skills	1
Being Altruistic	5	Willingness	1
Conflict Management	5	Awareness Sensitivity	1
Ability to Feedback Information	5	Valuing Difference	1
Courage to Lead	5	Reward & Recognition	1
Influencing Skills	4	Creativity	1
Teambuilding	4	Ability to Assess	1
Communication	4	Mutual Respect	1
Trust	4	Change Management Skills	1
Ability to Network	4	Mentoring	1
Personal Leadership	4	Growth	1

**Appendix V Associated competencies with LCMs behaviours – Page 8**

<b>Behaviour - People</b>	<b>Agreement</b>	<b>Behaviour - People</b>	<b>Agreement</b>
Ability to Delegate	4	Developing Skills	1
Exploiting Talent Within Organisation	4	Ownership	1
Ability to Identify Individual Strengths & Weaknesses	4	Entrepreneurship	1
Situational Leadership	4	Ability to Guide	1
Results Orientation	3	Educational Skills	1
Entrepreneurship	3	Calmness	1
Future Orientation	3	Sovereignty	1
Being Honest	3	Taking Responsibility	1
Ability to Achieve Goals	3	Identify the Drivers	1
Ability to Lead	3	Clarity on Membership	1
Strategic Development	3	Being Observant	1
Ability to Direct	3	Ability to Analyse	1
Self Awareness	3	Decision Making Skills	1
Mastering Individual Relationships	3	Ability to Inspire	1
Understanding & Appreciating Differing Characteristics	3	Change Tolerance	1
Cross Functional Skills	2	Interest in People	1
Being Assertive	2	Understanding & Appreciation of Human Nature	1
		Understanding & Appreciating Differing Personalities	1

<b>Behaviour - Focus</b>	<b>Agreement</b>	<b>Behaviour - Focus</b>	<b>Agreement</b>
Ability to Communicate	6	Clarity of Vision	2
Ability to Prioritise	6	Convert Global Strategies to Everyday Events	2
Ability to Give Honest Feedback	5	Being Motivated	2
Results Orientation	5	Discernment	2
Empathy	5	Ability to Distil	2
Ability to Articulate	5	Monitoring Improvement	1
Ability to be a Team Player	4	Developing People	1
Ability to Motivate	4	Being Selfless (2)	1
Ability to Relate Activities to Strategy	4	Self-Regulating	1
Ability to Focus & Target	4	Demonstrate Ability to Progress	1
Cross Functional Capabilities	3	Accountability	1
Honesty	3	Self Belief	1
Ability to Delegate	3	Taking Responsibility	1
Presence	3	Making Things Happen	1
Ability to Manage Conflict	3	Giving Direction - Orientation	1
Being Respectful	3	Being Accessible	1
Ability to Strategies	3	Ability to Create Professional and Social Synergies	1
Shared & Accepted Priorities	3	Being Appreciative	1
Cross Cultural Capabilities	2	Ability to Support Employees	1

**Appendix V Associated competencies with LCMs behaviours – Page 9**

<b>Behaviour - Focus</b>	<b>Agreement</b>	<b>Behaviour - Focus</b>	<b>Agreement</b>
Recognising Talent	2	Understanding Employee Capabilities	1
Openness	2	Breakdown Vision	1
Gaining Cooperation	2	Ability to Articulate Whole Picture	1
Trust	2	Deductive Reasoning	1
Ability to Collaborate	2	Perserverant	1
Understanding Consequences	2	Resilience	1

<b>Behaviour - Shared Vision</b>	<b>Agreement</b>	<b>Behaviour - Shared Vision</b>	<b>Agreement</b>
Identifying Strategic Drivers & Communicating Them	11	Ability to Act Global Think Local	2
Ability to Communicate Goals	10	Ability to Inspire	2
Ability to Translate Strategy & Goals in Everyday Business	9	Ability to Plan	2
Ability to be a Team Player	7	Entrepreneur	1
Ability to Understand Strategic Direction	7	Networking Skills	1
Ability to Lead Change	7	Not Complacent	1
Ability to Persuade a Team	7	Identify Opportunities	1
Being Authentic	5	Implentation	1
Change Tolerance	5	Leadership	1
Understanding Cultural Differences	4	Assimilation of Inforrmation	1
Clarity of Understanding	4	Knowledge	1
Ability to Set Compelling Goals	4	Monitoring Improvement	1
Ability to Motivate	4	Developing People	1
Ability to Build a Shared Vision	4	Being Selfless	1
Cross Functional Capabilities	3	Demonstrate Ability to Progress	1
Recognising Talent	3	Accountability	1
Ability to Manage Conflict	3	Self Belief	1
Ability to Give Honest Feedback	3	Taking Responsibility	1
Being Appreciative	3	Ability to Create Professional and Social Synergies	1
Buy in	3	Being Respectful	1
Business Inteligence	3	Ability to Support Employees	1
Power of Persuasion	3	Gaining Respect	1
Ability to Articulate	3	Ensuring People Understand the Detail	1
Ability to be Open Minded	2	Ability to Connect Dots & Analyse Patterns	1
Being Adaptable	2	Mold Breaking	1
In Touch with Customers & Employees	2	Listening Skills	1
Honesty	2	External Facing	1
Openness	2	Analytical Skills	1
Ability to Collaborate	2	Resilience	1
Understanding Employee Capability	2	Ability to Empathise	1
Ability to Engage People	2	Cross-Cultural Competencies	1
Ability to Think Conceptually	2		

**Appendix W Competencies associated with core competence areas – Page 1**

<b>Common Competencies Used in Current Leadership Models</b>			
	<b>C1</b>	<b>C2</b>	<b>C3</b>
<b>1. Communication</b>	<b>Capability:</b> Encourages different perspectives and actively seeks challenge to own opinion	<b>Providing guidance and managing performance:</b> Explaining the corporate strategy Expressing clear performance expectations Giving staff honest and detailed feedback	<b>Communicates effectively and candidly:</b> Demonstrates strong two way communication skills Coveys ideas in an open, articulate and timely manner Leads through influence Networks, communicates and builds alignment with key customers and stakeholders
Compassion	1	0	0
Empathy	2	3	0
Acceptance of Being Challenged	1	0	0
Openness	1	1	1
Honesty	4	2	1
Awareness of Cultural Differences	1	2	2
Listening Skills	1	0	1
Sensitivity	1	0	0
Ability to Create a Positive Environment	1	1	0
Ability to Address Failures	1	0	0
Ability to be Flexible	1	0	0
Professionalism	1	0	0
Ability to Motivate	2	1	0
Ability to Coach	2	1	0
Being Balanced	1	0	0
Situational Leadership Skills	1	4	0
Stretching Towards Outcomes	1	1	0
Relationship Orientation	1	0	0
Outcome Orientation	1	1	0
Being Authentic	1	5	0
Being Credible	1	3	0
Generating 'buy-in'	0	2	0
Taking Responsibility	0	2	0
Ability to Identify Goals	0	5	0
Understanding Needs	0	1	0
Being Idealistic	0	2	0
Power of Persuasion	0	1	0
Sustainability	0	2	0
Leadership Skills	0	5	1
Entrepreneurship	0	2	0

**Appendix W Competencies associated with core competence areas – Page 2**

Ability to Prioritise	0	3	0
Ability to Analyse	0	3	0
Problem Solving Skills	0	2	0
Structured Approach	0	1	0
Change Tolerance	0	6	0
Self Criticism	0	2	0
Modesty	0	1	0
Worldly	0	1	0
Curiosity	0	2	0
Intercultural Competencies	0	3	1
Performance Management	0	5	0
Being Resilient	0	1	0
Self Confidence	1	2	0
Courage	5	4	0
Managing Own Performance	0	5	0
Decision Making Skills	0	3	0
Ambition	1	2	0
Being Assertive	0	2	0
Risk Management	0	3	0
Entrepreneurship	0	2	0
Openness	0	4	0
Intercultural Tolerance	0	2	2
Consequence	0	1	0
Being Compliant	0	1	0
Being a Role Model	0	1	0
Optimising Resources	0	1	0
Maximising Personal Objectives	0	1	0
Ability to Reflect	0	2	0
Being Respectful	0	1	0
Endurance	0	1	0
Execute - Implement	0	1	0
Being Proactive	0	1	0
Experience	0	1	0
Over Achieving	0	1	0
Self Belief	0	2	0
Prepared to take on Conflict	0	1	1
Standing up for Beliefs	0	1	0
Being Adventurous	0	1	0
Thinking outside the box	0	1	0
Take Criticism	0	1	0
Continuous Learning	0	1	0
Being a Team Player	0	1	0
Being Understanding	0	2	0
Cross-Functional Capabilities	0	0	2



**Appendix W Competencies associated with core competence areas – Page 3**

Cross-Cultural Capabilities	0	0	2
Being Open Minded	0	0	2
Ability to Translate	1	0	1
Being Perceptive	1	0	0
Ability to Identify Opportunities	2	0	1
Focused at the Right Level	1	0	0
Possessing Business Intelligence	1	1	0
Assertiveness	1	2	0
Ability to Persuade	2	1	0
Personal Efficiency	1	0	0
Passion	1	0	0
Self motivation	1	1	0
Business Intelligence	2	1	0
Political Awareness	1	2	0
Being Pro-active	2	0	0
Perceived Permission	1	0	0
Accepting of Responsibility	1	1	1
Ability to Plan	1	1	0
Identify Actions to Achieve Goals	1	3	2
Individualism	1	1	0
Situational Leadership	1	3	0
Ability to Empower	1	1	0
Ability to Create Motivational Environment	1	1	0
Stretch Targets	1	1	0
Ability to Address Difficult Issues	1	1	0
Being Decisive	1	1	0
Not Delegating Important Things	1	2	0
Ability to Control Performance	0	6	0
Ability to Give Feedback	1	3	0
Ability to be Fair	0	3	1
Transparency	0	2	0
Ability to Network	0	1	1
Presence	0	4	0
Visibility	0	1	0
Transparency	0	2	0
Setting Goals	0	3	2
Being Collaborative	0	1	0
Organisational Awareness	0	3	0
Strategic Performance Management	0	5	0
Assertiveness	0	2	0
Discipline	0	1	0
Trust	0	3	0
Being Accessible	0	1	0
Giving Direction - Orientation	0	1	0

**Appendix W Competencies associated with core competence areas – Page 4**

Gaining Cooperation	0	1	0
Making Things Happen	0	1	0
Ability to Delegate	0	3	0
Resource Allocation	0	1	0
Guidance	0	1	0
Being Available	0	1	0
Giving Time	0	1	0
Recognising People's Limitations	0	1	0
Standing up for Beliefs	0	1	0
Buy in	0	1	0
Accountability	0	0	2
Multi Cultural Intelligence	0	0	1
Results Orientation	0	0	2
Commincating	0	0	1
Cross Cultural Literacey	0	0	2
Leading by Influence	0	0	1
Integrity	4	1	1
Being Honest	3	1	1
Accepting & Observing Rules	5	0	0
Respect	1	1	0
Work Discipline	2	1	0
Desire to Comply	2	0	0
Courage to Stick to Rules	2	3	0
Awareness of Cultural Interpretation of Rules	1	1	1
Being Intellectual as a Handicap	1	0	0
Ability to Standardise & Simplify	1	0	0
Ability to be Efficient	1	0	0
Not Compromising on Standards	1	0	0
Assertiveness (2)	0	1	0
Open Mindedness	1	0	1
Desire to Motivate	1	0	0
Accepting & Acting on Process	1	0	0
Conflict Management	2	1	1
Fairness	1	2	1
Efficiency	1	0	0
Results Orientated	1	3	2
Tenacity	1	0	0
Boldness	1	0	0
Clarity of Vision	2	3	0
Ability to Communicate Vision	1	3	1
Ability to Build Scenarios	1	0	0
Awareness of Cultural Difference	1	2	2
Ability to Observe	1	0	0
Analytical Skills	1	1	0

**Appendix W Competencies associated with core competence areas – Page 5**

Ability to Reward	2	0	0
Applying the Rules	1	0	0
Understanding Where Success is Located	1	0	0
Accelerating Success	1	0	0
Addressing Mistakes	1	0	0
Identifying Mistakes	1	0	0
Ability to Work Towards a Goal	0	3	2
Collective Approach	0	1	0
Positive Attitude	0	1	0
Taking Responsibility	0	2	1
Ability to Translate & Adapt	0	0	1
Clarity of Needs	1	3	0
Ability to Assess	3	2	1
Ability to Conduct Gap Analysis	1	1	0
Ability to See Resources in Team	2	0	1
Ability to Communicate	1	2	1
Self Awareness	1	3	0
Self Regulation	1	0	0
Being Observant	1	0	0
Being Ambitious	1	0	0
Intercultural Sensitivity	1	2	1
Being Courageous	1	0	0
Ability to Raise Performance Standards	2	3	0
Ability to Judge Strengths & Weaknesses	2	0	0
Ability to Deploy Current Team Skills	2	2	1
Ability to be Flexible	1	0	0
Recognising the Value of Difference	1	0	2
Creativity	1	0	1
Ability to Develop People	1	0	0
Ability to Collaborate	1	1	0
Having Excellent People	1	0	0
Having a Good Mix of People in the Team	1	0	1
Understanding Employee Capabilities	0	1	0
Ability to Support Employees	0	3	0
Mutual Respect	0	0	1
Reward & Recognition	0	0	1
Maturity	0	0	1
Living Diversity	0	0	1

**Appendix W Competencies associated with core competence areas – Page 6**

<b>Common Competencies Used in Current Leadership Models</b>			
	<b>C1</b>	<b>C2</b>	<b>C3</b>
<b>2. Cross-cultural competencies</b>	<p><b>Capability:</b></p> <p>Values Differences:</p> <p>Seeks and utilises diverse inputs and people to achieve desired results</p> <p>Encourages different perspectives</p>	<p><b>Making staff and teams successful:</b></p> <p>Promoting a spirit of trust and cooperation mutual esteem and team spirit, taking cultural differences/ diversity into consideration</p> <p><b>Exercising management responsibility:</b></p> <p>Being open to and respectful of other cultures</p>	<p><b>Achieves through teamwork:</b></p> <p>Is open to others diverse ideas and leverages the team's differences to achieve results</p> <p>A leader's ability to collaborate across boundaries is critical to ensure he/she acquires the best thinking on business issues or problems</p>
Ability to Articulate	5	0	0
Ability to Empathise	1	0	0
Power of Persuasion	2	0	0
Ability to Persuade a Team	1	5	0
Ability to Build a Shared Vision	3	0	1
Ability to Communicate Goals	4	3	2
Change Tolerance	1	3	1
Ability to Motivate	2	1	0
Ability to Set Compelling Goals	0	3	1
Ability to Lead Change	2	3	1
Ability to Plan	1	1	0
Resilience	1	0	0
Business Intelligence	1	1	0
Ability to Inspire	1	1	0
Ability to Act Global Think Local	1	0	0
Ability to Think Conceptually	1	1	0
Clarity of Understanding	3	1	0
Analytical Skills	1	0	0
Being Authentic	1	3	0
External Facing	1	0	0
Listening Skills	1	0	0
Mold Breaking	1	0	0
Ability to Connect Dots & Analyse Patterns	1	0	0
Ability to Understand Strategic Direction	2	3	1
Ability to Translate Strategy & Goals in Everyday Business	2	4	1
Buy in	1	1	0
Ability to Engage People	1	0	1
Ensuring People Understand the Detail	1	0	0

**Appendix W Competencies associated with core competence areas – Page 7**

Understanding Cultural Differences	1	1	2
Gaining Respect	1	0	0
Identifying Strategic Drivers & Communicating Them	1	4	3
Understanding Employee Capability	0	1	1
Ability to Support Employees	0	1	0
Ability to Collaborate	0	2	0
Ability to be a Team Player	0	5	1
Being Appreciative	0	2	0
Being Respectful	0	4	0
Ability to Give Honest Feedback	0	3	1
Ability to Manage Conflict	0	3	1
Ability to Create Professional and Social Synergies	0	1	0
Taking Responsibility	0	1	0
Self Belief	0	1	0
Openness	0	1	2
Honesty	0	1	1
Accountability	0	1	0
Demonstrate Ability to Progress	0	1	0
Being Selfless	0	1	0
Recognising Talent	0	1	2
Developing People	0	1	0
Monitoring Improvement	0	1	0
Knowledge	0	0	1
Assimilation of Information	0	0	1
Leadership	0	0	1
Implementation	0	0	1
In Touch with Customers & Employees	0	0	2
Identify Opportunities	0	0	1
Not Complacent	0	0	1
Being Adaptable	0	0	2
Ability to be Open Minded	0	1	2
Networking Skills	0	0	1
Cross-Functional Capabilities	0	0	2
Cross-Cultural Competencies	0	0	0
Entrepreneur	0	0	1
Ability and Propensity to Question	1	0	0
Ability to Reflect	1	1	0
Ability to Challenge	1	0	0
Ability to Network	1	1	0
Customer Focus	4	6	3
Empathy	1	3	0
Awareness and Understanding of Others	1	1	0
Manage Expectations of Others	1	1	0
Flexible in Approach	0	1	0

**Appendix W Competencies associated with core competence areas – Page 8**

Self Awareness	1	0	0
Self Regulation	1	0	0
Results Orientated	1	2	1
Business Intelligence	2	2	0
Ability to focus on Facts and Content	1	0	0
Ability to Focus on Relationships	1	1	0
Credibility	1	0	0
Stakeholder Awareness	1	1	0
Motivational Skills	1	0	0
Good Listening Skills	1	0	1
Understanding Body Language	0	0	0
Being Outward Looking	2	1	0
Balancing Client Needs with Corporate Interests	0	1	2
Ability to be Creative	0	3	0
Modesty	0	1	0
Communication Skills	0	4	2
Ability to Persuade	0	1	0
Interest in People	0	1	0
Trust	0	5	0
Courage	0	1	0
Collective Approach	0	1	0
Structured Approach	0	2	0
Strategic Perspective	0	3	1
Results Orientation	1	3	1
Being Innovative	0	5	0
Improving Processes	0	1	0
Service Orientation	0	2	0
Economic Awareness	0	2	0
Ability to Analyse - Critical Thinking	0	1	0
Entrepreneurship	0	4	0
Discipline	0	1	0
Market Orientation	0	1	0
Management Skills	0	2	0
Performance Evaluation	0	2	0
Cost Benefit Analysis	0	2	0
Adding Value	0	1	0
Being Opportunistic	0	1	0
Client - Customer Satisfaction Monitoring	0	1	2
Broad Outlook	0	1	0
Being Cost Consciousness	0	1	0
Balancing Interests	0	1	0
Extending Business Partnerships	0	1	0
Tolerance for New Ideas	0	1	0
Loyalty	0	1	0

**Appendix W Competencies associated with core competence areas – Page 9**

Teamwork	0	1	1
Having Goals	0	1	0
Clarity	0	1	0
Being Insightful	0	1	0
Strategic Acumen	0	1	1
Expertise	0	1	0
Supporting the Brand	0	1	0
Client Customer Focus	0	2	4
Ability to Delegate	0	4	0
Cost Consciousness	0	1	0
Business Enabler	0	1	0
Customer Care as a way of life	0	0	4
Multicultural Capabilities	0	0	2
Ability to Distil	2	0	0
Discernment	1	1	0
Shared & Accepted Priorities	1	2	0
Ability to Focus & Target	4	0	0
Being Motivated	1	1	0
Perseverant	1	0	0
Convert Global Strategies to Everyday Events	2	0	0
Deductive Reasoning	1	0	0
Ability to Relate Activities to Strategy	2	2	0
Ability to Prioritise	4	2	0
Ability to Articulate Whole Picture	1	0	0
Strategic Ability	1	2	0
Clarity of Vision	1	1	0
Breakdown Vision	1	0	0
Ability to Communicate	3	2	1
Understanding Consequences	1	1	0
Understanding Employee Capabilities	0	1	0
Presence	0	3	0
Being Accessible	0	1	0
Giving Direction - Orientation	0	1	0
Gaining Cooperation	0	2	0
Making Things Happen	0	1	0
Cross-Cultural Capabilities	0	0	2

**Appendix W Competencies associated with core competence areas – Page 10**

<b>Common Competencies Used in Current Leadership Models</b>			
	<b>C1</b>	<b>C2</b>	<b>C3</b>
<b>3. Motivational and People skills</b>	<p><b><u>People:</u></b></p> <p>We motivate, coach and develop</p> <p>Creates and tailors environments which maximize individual's motivation and support learning</p> <p><b><u>Delivery:</u></b></p> <p>Encourages a learning organisation culture in which people admit and learn from mistakes and adopt and build on other's solutions</p>	<p><b><u>Motivation and developing staff:</u></b></p> <p>Motivating staff through suitable measures</p> <p>Being able to achieve even difficult goals without creating systematic learning opportunities</p>	<p><b><u>Build and leverages talent:</u></b></p> <p>It is every leaders' job to focus on the development of his/her people</p> <p>Seeking out top talent, rewarding achievement and supporting diversity of thought and perspective</p> <p><b><u>Achieves through teamwork:</u></b></p> <p>Works cooperatively as a member of a team</p>
Empathy	3	2	0
Clarity of Objectives	3	3	1
Understanding & Appreciating Differing Characteristics	2	1	0
Understanding & Appreciating Differing Personalities	1	0	0
Understanding & Appreciation of Human Nature	1	0	0
Ability to Team Motivate	2	5	3
Ability to Coach	5	1	0
Developmental Competencies	3	5	0
Interest in People	1	0	0
Mastering Individual Relationships	2	1	0
Change Tolerance	1	6	0
Intercultural Awareness & Sensibility	4	4	1
Situational Leadership	1	3	0
Self Awareness	1	2	0
Ability to Inspire	1	0	0
Decision Making Skills	1	3	0
Courage to Lead	1	2	0
Ability to Feedback Information	1	3	1
Ability to Direct	1	1	0
Ability to Identify Team Strengths & Weaknesses	1	5	2
Ability to Identify Individual Strengths & Weaknesses	1	3	0
Ability to Analyse	1	1	0
Being Observant	1	0	0
Ability to Communicate	1	3	2
Clarity on Membership	1	0	0
Ability to Motivate	1	4	1
Exploiting Talent Within Organisation	1	1	2



**Appendix W Competencies associated with core competence areas – Page 11**

Identify the Drivers	1	0	0
Peer Coaching	1	1	0
Transparency	0	2	0
Conflict Management	0	5	0
Sustainability	0	2	0
Taking Responsibility	0	1	0
Intercultural Capabilities	0	2	2
Strategic Development	0	2	0
Ability to Delegate	0	4	0
Sovereignty	0	1	0
Calmness	0	1	0
Educational Skills	0	1	0
Being Flexible	0	1	1
Being Altruistic	0	2	0
Ability to Lead	0	1	0
Personal Leadership	0	3	0
Management Skills	0	2	0
Ability to Guide	0	1	0
Ability to Achieve Goals	0	1	1
Being Honest	0	2	0
Promote Learning	0	1	0
Ability to Network	0	1	3
Entrepreneurship	0	1	0
Trust	0	2	0
Being Assertive	0	2	0
Future Orientation	0	2	0
Global Thinking	0	2	0
Ownership	0	1	0
Communication	0	1	2
Developing Skills	0	1	0
Growth	0	1	0
Mentoring	0	1	0
Teambuilding	0	1	3
Results Orientation	0	0	2
Influencing Skills	0	0	4
Change Management Skills	0	0	1
Mutual Respect	0	0	1
Ability to Assess	0	0	1
Creativity	0	0	1
Reward & Recognition	0	0	1
Valuing Difference	0	0	1
Cultural Awareness/ Sensitivity	0	0	1
Willingness	0	0	1
Language Skills	0	0	1
Maturity	0	0	1
Cross-Functional Skills	0	0	2
Living Diversity	0	0	1
Being Open Minded	0	0	2
Ability to Challenge	1	0	0
Compassion	0	1	0
Acceptance of Challenging	1	0	0
Openness	1	1	1

**Appendix W Competencies associated with core competence areas – Page 12**

Honesty	2	2	1
Communication Skills	5	4	2
Awareness of Cultural Differences	1	2	2
Listening Skills	1	0	1
Sensitivity	1	0	0
Ability to Create a Positive Environment	1	1	0
Ability to Address Failures	1	0	0
Ability to be Flexible	1	0	0
Professionalism	1	0	0
Being Balanced	1	0	0
Situational Leadership Skills	1	4	0
Stretching Towards Outcomes	1	1	0
Relationship Orientation	1	0	0
Outcome Orientation	1	1	0
Being Authentic	1	4	0
Being Credible	1	2	0
Generating 'buy-in'	0	2	0
Taking Responsibility	0	2	0
Ability to Identify Goals	0	5	0
Understanding Needs	0	1	0
Being Idealistic	0	2	0
Power of Persuasion	0	1	0
Leadership Skills	0	5	0
Entrepreneurship	0	1	0
Ability to Prioritise	0	3	0
Problem Solving Skills	0	1	0
Structured Approach	0	1	0
Self Criticism	0	2	0
Modesty	0	1	0
Worldly	0	1	0
Curiosity	0	1	0
Intercultural Competencies	0	3	1
Performance Management	0	4	0
Being Resilient	0	1	0
Self Confidence	0	1	0
Courage	0	4	0
Managing Own Performance	0	4	0
Ambition	0	2	0
Risk Management	0	3	0
Openness	0	4	0
Intercultural Tolerance	0	2	1
Consequence	0	1	0
Being Compliant	0	1	0
Being a Role Model	0	1	0
Optimising Resources	0	1	0
Maximising Personal Objectives	0	1	0
Ability to Reflect	0	2	0
Being Respectful	0	1	0
Endurance	0	1	0
Execute - Implement	0	1	0
Being Proactive	0	1	0
Experience	0	1	0

**Appendix W Competencies associated with core competence areas – Page 13**

Over Achieving	0	1	0
Self Belief	0	2	0
Prepared to take on Conflict	0	1	1
Standing up for Beliefs	0	1	0
Being Adventurous	0	1	0
Thinking outside the Box	0	1	0
Take Criticism	0	1	0
Continuous Learning	0	1	0
Being a Team Player	0	1	0
Being Understanding	0	1	0
Cross-Functional Capabilities	0	0	1
Cross-Cultural Capabilities	0	0	2

Common Competencies Used in Current Leadership Models			
	C1	C2	C3
<b>4. Visionary and Strategic Skills</b>	<p><b><u>Builds shared vision:</u></b></p> <p>Demonstrates the entrepreneurial flair and financial acumen to translate strategic opportunities into specific plans for growth</p>	<p><b><u>Providing guidance and managing performance:</u></b></p> <p>Explaining the corporate strategy and strategy of one's own unit</p> <p>Developing and implementing client- focused strategies</p> <p>Providing innovative impulses</p> <p>Developing their own strategy</p>	<p><b><u>Plans and acts strategically:</u></b></p> <p>Leaders must be able to form a vision and communicate overall strategy</p> <p>Develops a clear and compelling vision, strategy or action plan that is aligned with the organization's goals</p>
Ability to Articulate	3	0	0
Ability to Empathise	1	0	0
Power of Persuasion	2	0	0
Ability to Persuade a Team	1	5	0
Ability to Build a Shared Vision	3	0	1
Ability to Communicate Goals	4	3	2
Change Tolerance	1	3	1
Ability to Motivate	2	1	0
Ability to Set Compelling Goals	0	3	1
Ability to Lead Change	2	3	1
Ability to Plan	1	1	0
Resilience	1	0	0
Business Intelligence	1	1	0
Ability to Inspire	1	1	0
Ability to Act Global Think Local	1	0	0
Ability to Think Conceptually	1	1	0
Clarity of Understanding	3	1	0
Analytical Skills	1	0	0

**Appendix W Competencies associated with core competence areas – Page 14**

Being Authentic	1	3	0
External Facing	1	0	0
Listening Skills	1	0	0
Mold Breaking	1	0	0
Ability to Connect Dots & Analyse Patterns	1	0	0
Ability to Understand Strategic Direction	2	3	1
Ability to Translate Strategy & Goals in Everyday Business	2	4	1
Buy in	1	1	0
Ability to Engage People	1	0	1
Ensuring People Understand the Detail	1	0	0
Understanding Cultural Differences	1	1	2
Gaining Respect	1	0	0
Identifying Strategic Drivers & Communicating Them	1	4	3
Understanding Employee Capability	0	1	1
Ability to Support Employees	0	1	0
Ability to Collaborate	0	2	0
Ability to be a Team Player	0	5	1
Being Appreciative	0	2	0
Being Respectful	0	1	0
Ability to Give Honest Feedback	0	2	0
Ability to Manage Conflict	0	3	0
Ability to Create Professional and Social Synergies	0	1	0
Taking Responsibility	0	1	0
Self Belief	0	1	0
Openness	0	1	1
Honesty	0	1	0
Accountability	0	1	0
Demonstrate Ability to Progress	0	1	0
Being Selfless	0	1	0
Recognising Talent	0	1	2
Developing People	0	1	0
Monitoring Improvement	0	1	0
Knowledge	0	0	1
Assimilation of Information	0	0	1
Leadership	0	0	1
Implementation	0	0	1
In Touch with Customers & Employees	0	0	2
Identify Opportunities	0	0	1
Not Complacent	0	0	1
Being Adaptable	0	0	2
Ability to be Open Minded	0	0	1
Networking Skills	0	0	1
Cross-Functional Capabilities	0	0	1
Cross-Cultural Competencies	0	0	0
Entrepreneur	0	0	1

**Appendix W Competencies associated with core competence areas – Page 15**

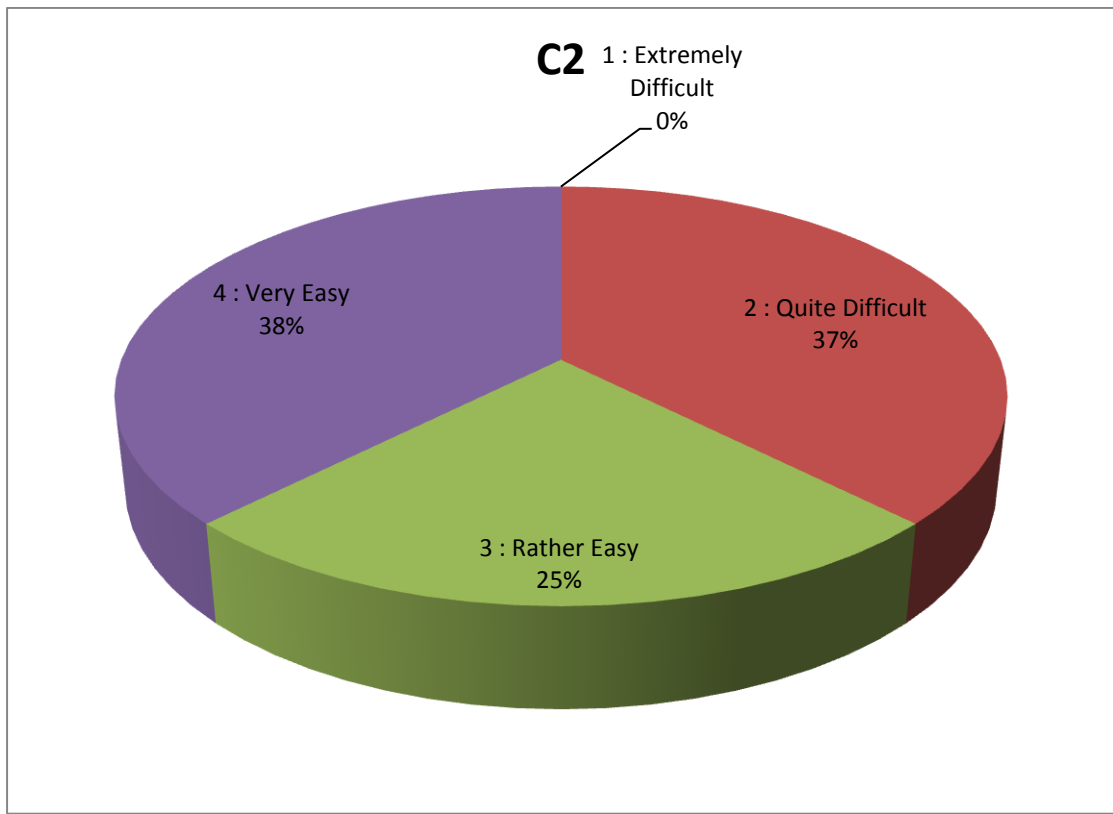
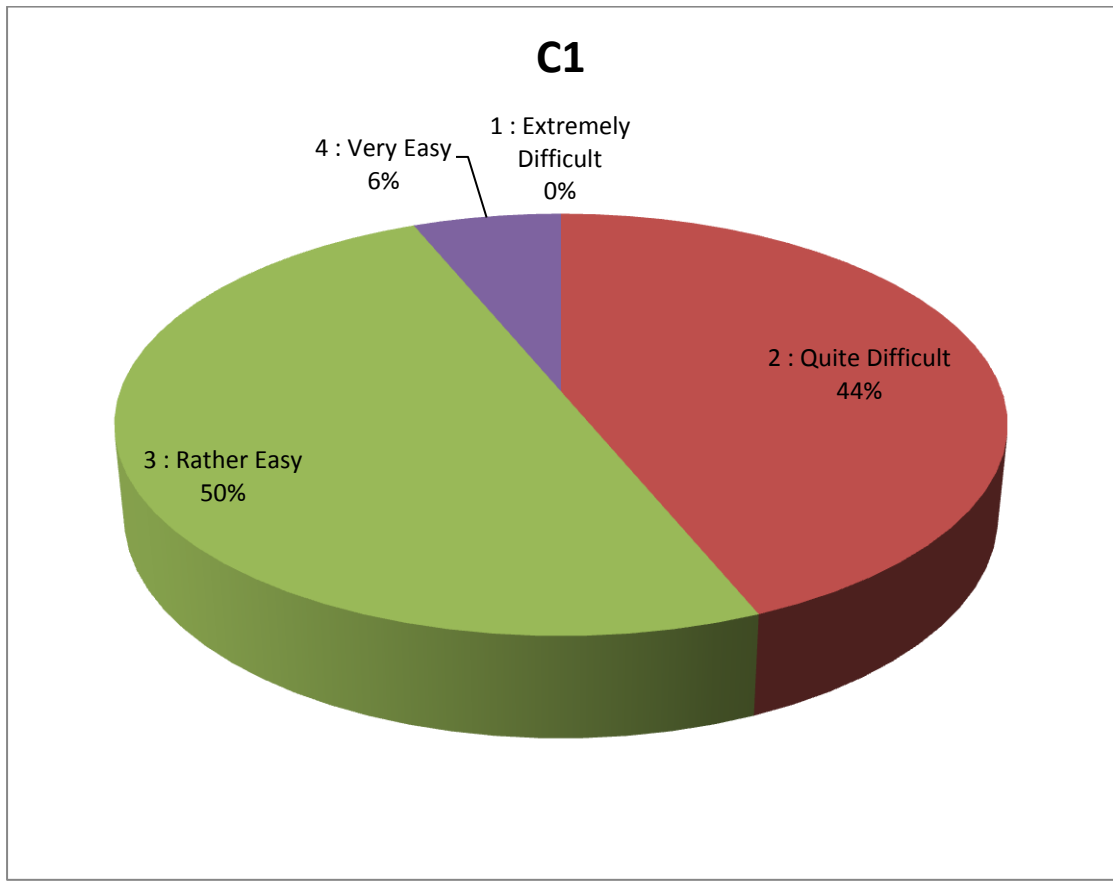
<b>Common Competencies Used in Current Leadership Models</b>			
	<b>C1</b>	<b>C2</b>	<b>C3</b>
<b>5. Leadership Skills &amp; Attributes</b>	<p><b><u>Focus:</u></b></p> <p>Deliver results Establishes and communicates performance expectations and sense of urgency</p> <p>Manages uncertainty and boundary lessness</p> <p>Makes decisions with incomplete or conflicting data Retains bias for action</p> <p><b><u>Drive:</u></b></p> <p>Has drive and resilience</p> <p>Demonstrates courage, accepts personal accountability</p> <p><b><u>Discipline:</u></b></p> <p>Displays personal effectiveness: Displays genuineness, openness and self awareness</p> <p>Acts with integrity to a clearly expressed set of values</p> <p><b><u>Teamwork:</u></b></p> <p>Challenge and support: Displays self-confidence appropriate to differing situations</p>	<p><b><u>Developing and implementing client focused strategies:</u></b></p> <p>Displaying a clear understanding of performance</p> <p>Steering the results of one's unit</p> <p><b><u>Exercising management responsibility:</u></b></p> <p>Serving as a credible role-model through one's own performance and behaviour</p> <p>Willingness to adopt an exposed position, bear responsibility and take necessary risks</p> <p>Making decisions quickly, courageously, pragmatically and logically Initiating and driving necessary changes</p> <p>Further developing oneself, using feedback to do so</p>	<p><b><u>Executes for results:</u></b></p> <p>Relentlessly pursues achievement of goals in the face of obstacles</p> <p>Personally accepts accountability for results</p> <p><b><u>Communicates effectively and candidly:</u></b></p> <p>Leaders need to be comfortable having a point of view</p> <p>Executes for results: Upholding the highest standards of fairness, honesty and integrity</p>
Courage	4	3	0
Ability to Translate	1	0	1
Being Perceptive	1	0	0
Ability to Identify Opportunities	2	0	1
Focused at the Right Level	1	0	0
Possessing Business Intelligence	1	1	0
Assertiveness	1	2	0
Ability to Persuade	2	1	0
Personal Efficiency	1	0	0
Passion	1	0	0

**Appendix W Competencies associated with core competence areas – Page 16**

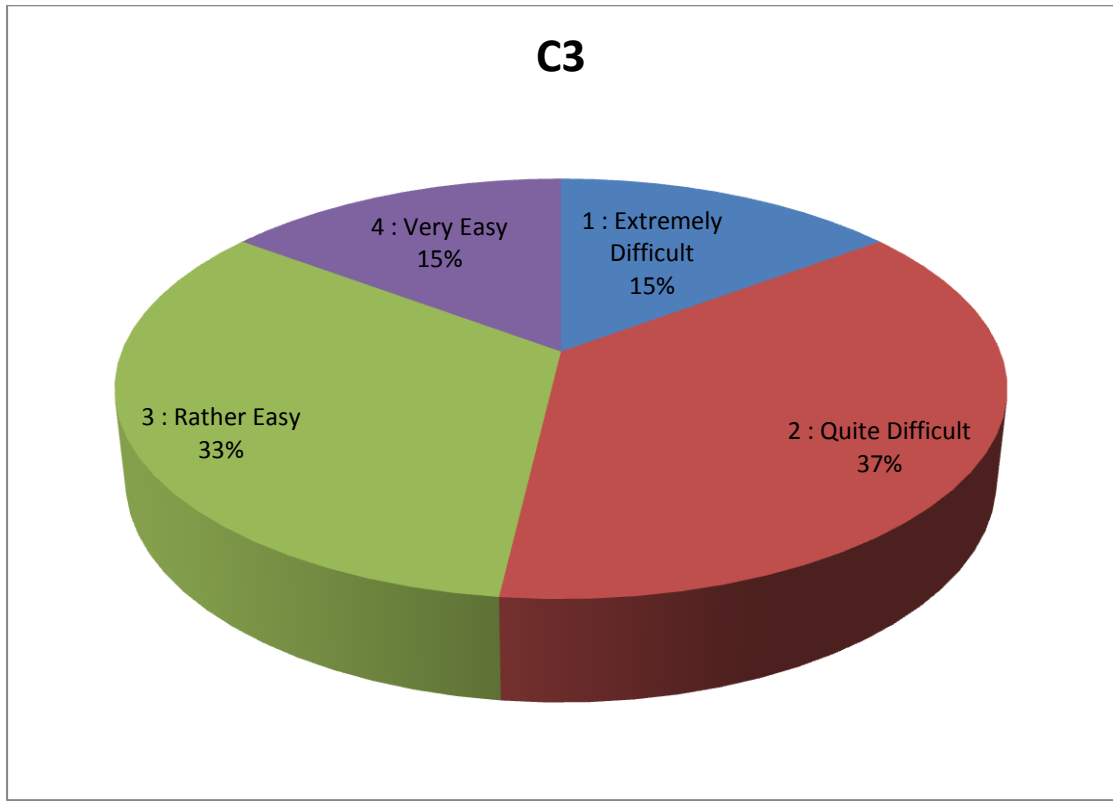
Self motivation	1	1	0
Business Intelligence	2	1	0
Ambition	1	1	0
Political Awareness	1	2	0
Self Confidence	1	0	0
Being Pro-active	2	0	0
Perceived Permission	1	0	0
Accepting of Responsibility	1	1	1
Ability to Plan	1	1	0
Identify Actions to Achieve Goals	1	3	2
Individualism	1	1	0
Situational Leadership	2	3	0
Ability to Empower	2	1	0
Ability to Create Motivational Environment	1	1	0
Stretch Targets	1	1	0
Ability to Address Difficult Issues	1	1	0
Being Decisive	1	1	0
Not Delegating Important Things	1	2	0
Ability to Control Performance	0	6	0
Ability to Analyse	0	2	0
Ability to Give Feedback	1	3	0
Ability to be Fair	0	3	1
Transparency	0	2	0
Ability to Network	0	1	1
Empathy	0	2	0
Presence	0	4	0
Visibility	0	1	0
Transparency	0	2	0
Setting Goals	0	3	1
Being Collaborative	0	1	0
Organisational Awareness	0	3	0
Strategic Performance Management	0	5	0
Ability to Coach	0	1	0
Assertiveness	0	1	0
Discipline	0	1	0
Trust	0	3	0
Being Accessible	0	1	0
Giving Direction - Orientation	0	1	0
Gaining Cooperation	0	1	0
Making Things Happen	0	1	0
Ability to Delegate	0	3	0
Resource Allocation	0	1	0
Guidance	0	1	0
Being Compliant	0	1	0
Being Available	0	1	0
Giving Time	0	1	0
Recognising People's Limitations	0	1	0
Standing for Beliefs	0	1	0
Communication Skills	0	2	3
Buy in	0	1	0
Accountability	0	0	2
Multi-Cultural Intelligence	0	0	1

**Appendix W Competencies associated with core competence areas – Page 17**

Results Orientation	0	0	2
Communicating	0	0	1
Cross-Cultural Literacy	0	0	2
Cross-Functional Capabilities	0	0	1
Cross-Cultural Capabilities	0	0	2
Being Open Minded	0	0	2
Leading by Influence	0	0	1
Clarity of Needs	1	3	0
Ability to Assess	3	2	1
Ability to Conduct Gap Analysis	1	1	0
Ability to See Resources in Team	2	0	1
Ability to Communicate	1	2	1
Self Awareness	1	3	0
Self Regulation	1	0	0
Being Observant	1	0	0
Being Ambitious	1	0	0
Intercultural Sensitivity	1	2	1
Being Courageous	1	0	0
Ability to Raise Performance Standards	2	3	0
Being Honest	1	1	0
Ability to Judge Strengths & Weaknesses	2	0	0
Ability to Deploy Current Team Skills	2	2	1
Ability to be Flexible	1	0	0
Recognising the Value of Difference	1	0	2
Creativity	1	0	1
Ability to Develop People	1	0	0
Ability to Collaborate	1	1	0
Having Excellent People	1	0	0
Having a Good Mix of People in the Team	1	0	1
Understanding Employee Capabilities	0	1	0
Ability to Support Employees	0	3	0
Leadership Skills	0	2	0
Being understanding	0	1	0
Mutual Respect	0	0	1
Reward & Recognition	0	0	1
Maturity	0	0	1
Living Diversity	0	0	1

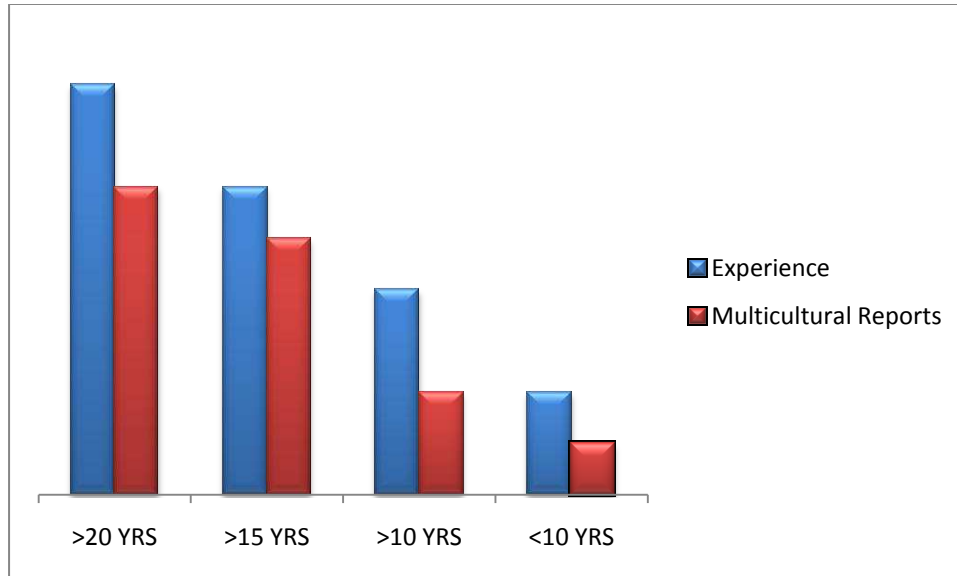






## Appendix Y Level of leaders' experience


Correlation of leaders who were critical of the model, and leaders' age, levels of experience and number of cultures reporting to them



CASE PROFILE

## 3M's Leadership Competency Framework

FEATURED COMPANY

	
COMPANY:	MINNESOTA MINING AND MANUFACTURING CO. (3M)
HEADQUARTERS:	ST. PAUL, MINNESOTA
INDUSTRY:	MANUFACTURING
1999 EMPLOYEES:	71,000
1999 SALES:	\$15.7 BILLION

EXECUTIVE SUMMARY

- In the face of complex competitive pressures, 3M required an up-to-date leadership model to guide targeted leadership development across its diverse businesses and a strong succession planning process to secure future corporate leadership.
- 3M involved its senior executives and leadership talent in the development of a global framework of leadership competencies specific to 3M's business, vision and values.
- The model's identified competency areas, framework and behavioral anchors now facilitate leadership assessment and development and the executive succession planning process.

CHALLENGE AT HAND

In the mid-1990s, 3M faced significant structural changes to the business environment in which it operated. Globalizing markets, rapid changes in product and information technologies, and a critical need for organizational agility refocused attention on the nature of corporate leadership. In addition, these structural changes, particularly globalization, have impacted the type of leadership capabilities required for organizational success.

3M faced two challenges in particular: first, to update its model of corporate leadership and cultivate the leadership talent necessary for growth; and second, to improve the effectiveness of its succession planning process to ensure capable leaders are properly deployed in the organization. These challenges are described below.

**Issue #1 — Stewarding Future Growth**

In order to survive competitive pressures and grow the company, 3M required strengthened leadership, both in the contemporary senior management cohort and in the pool of high-potential leadership talent. As advocated by the quote below, one approach to ensuring the development of skills and behaviors that support corporate objectives is the creation of a model that describes the organization's desired competencies.

*"To be effective, the development of workplace and managerial skills must reflect the current and projected needs of the organization. It is a critical responsibility... to identify the core competencies of the enterprise and to ensure that the competencies required by managers, specialists and the workforce in general are adequate and appropriate."*

— Pickett, Les. "Competencies and Managerial Effectiveness: Putting Competencies to Work"

Although 3M had developed a leadership competency model in the mid-1980s, a review of this model against more recent literature showed that the identified competencies needed to be updated — particularly with respect to changes in leadership philosophy to address the rapidly-changing global business environment — for the company to be able to pursue its growth plans.

**Issue #2 — Facilitating Leadership Succession**

3M faced a second challenge in relation to its leadership team. The company has a policy of promoting from within in order to ensure that individuals filling leadership positions possess the broad understanding of 3M's diverse businesses to provide effective executive leadership. It was therefore critical not only that the company's leadership development process was properly targeted, but that succession planning was carefully managed.

Recent research indicates that the use of competency models as a basis for objective talent assessment and succession planning is a common practice in large organizations. A Leibman Associates study of the practices of over 100 Fortune 500 companies showed that approximately two-thirds had developed explicit leadership competencies.<sup>2</sup>

3M had need of a company-specific, but company-wide, leadership profile on which to base objective assessment of leadership potential, identification of development needs and probable career-pathing.

Objectives of the new leadership competency profile were:

- To accurately assess leadership capability
- To more effectively develop talent within the organization
- To select and place leaders into key positions

**HR SOLUTION**

In 1995, 3M convened a global conference of HR professionals to position leadership selection, assessment and development as the primary HR priorities for the company. At the conclusion of the conference, two HR professionals were identified to lead a team in creating initiatives aimed at competency-based leadership development. The first step was the creation of a global leadership competency framework that would describe and drive the type of leadership required by the company.

**Identifying Stakeholders**

In keeping with best practices identified in literature regarding competency-modeling,<sup>3</sup> 3M included in its leadership analysis those individuals who shape the positions targeted by the model: in this case, the members of the executive leadership team.

In order to ensure that the model would accurately illustrate the true leadership needs of the organization, the project leaders worked with three groups of senior managers to create, review and edit the evolving competency model development. These groups would also determine when it was appropriate to move to the next stage in implementing the leadership development and succession processes and tools that would be built upon the competency framework. The three groups were:

- **Executive Resources Committee (ERC)**  
CEO, business unit Executive Vice Presidents (EVPs) and HR Vice President (VP). Responsible for selection and development of individuals in the top 500 positions at 3M.
- **Human Resources Policy Committee**  
Market EVPs, HR VP and several VPs of corporate service functions. Mandates policies with human resources impacts.
- **Operations Committee**  
CEO and 13 direct reports. Oversees 3M's operations and approves the formation or restructuring of staff or operating units.

**Critically Reviewing Established Competencies**

The project team used the identified stakeholder groups heavily in reviewing 3M's current set of competencies and revising them to reflect the company's current business environment. These groups' roles in critical stages of the competency model development process are outlined below.

- **Ensuring fit of new competencies with leadership philosophy**  
Project leaders met individually with each member of the Executive Resources Committee to review current competency materials and discuss leadership philosophy, business complexity and language.
- **Building consensus for the leadership model**  
The project leaders also presented several drafts of the competency model to the Human Resources Policy Committee. Discussion surrounding the phrasing and interpretation of the competency definitions helped clarify leadership philosophy and facilitated consensus-building.

At the end of this process, the group had made several revisions to competency labels and definitions (See Figure 1 for examples) and finalized a set of 12 identified leadership competencies.

**Creating a Framework for Revised Leadership Competencies**

The company further refined the model by organizing the 12 identified competencies into a framework that described how these competencies might be developed over time.

A group of HR practitioners from across 3M's global operations distinguished 'fundamental,' 'essential' and 'visionary' clusters of competencies that would help clarify the applicability of the model to experienced, junior or potential future leaders. The twelve competencies and the competency framework are described in detail in Figure 2 overleaf.

**FIGURE 1: REVISIONS TO LEADERSHIP COMPETENCIES AT 3M<sup>4</sup>**

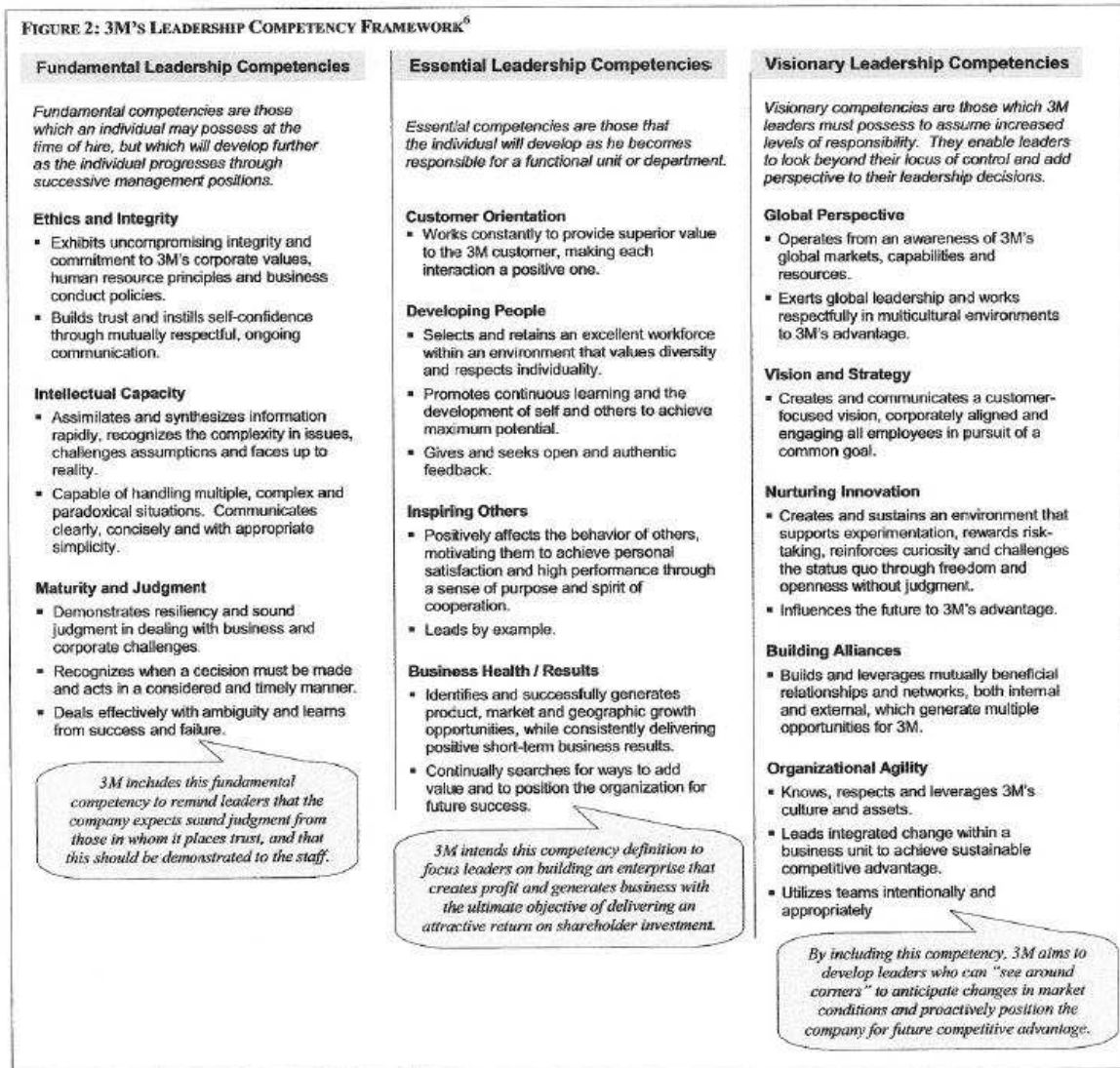
Original Competency Label	Revised Competency Label	Rationale for Change
Innovation	Nurturing Innovation	<ul style="list-style-type: none"> <li>▪ The use of 'nurturing' highlights the importance of proactively creating an environment in which staff can freely exchange ideas, challenge the status quo and learn from failures</li> <li>▪ Emphasises leader's role of mentoring idea originators through all stages of a product's life</li> </ul>
Business Growth	Business Health and Results	<ul style="list-style-type: none"> <li>▪ Stresses the importance of delivering results; avoiding the implication that growth should be pursued at all costs</li> <li>▪ Encourages leaders to manage all organizational subsystems to be 'vibrant and flexible'</li> </ul>
Systemic Change	Integrated Change	<ul style="list-style-type: none"> <li>▪ The removal of 'systemic' was intended to avoid the perception that the competencies were expressed with jargon</li> <li>▪ The term 'integrated' would be more clearly and widely understood</li> </ul>
Effective Analysis of Complex Situations	Capable of Handling Multiple, Complex and Paradoxical Situations	<ul style="list-style-type: none"> <li>▪ Acknowledges the existence of paradoxical leadership situations</li> <li>▪ Introduces the concept of using judgment in leadership</li> </ul>
Feedback and Reinforcement	Gives and Seeks Open and Authentic Feedback	<ul style="list-style-type: none"> <li>▪ Highlights the reciprocal nature of the feedback process, to overcome the one-way, top-down implications of the original statement</li> <li>▪ The term 'authentic' communicates the expectation of candor</li> </ul>

HR SOLUTION (CONTINUED)

3M's leadership competency framework reflects several recommendations from literature regarding the construction of a useful competency model, including relating the competencies to realistic workplace practices and expressing them as outcomes rather than as procedures.<sup>7</sup>

The expression of the competencies as outcomes allows direct demonstration, observation and assessment. In addition, 3M's work with senior executives in the development stages ensured that the model reflects a third best practice: the competencies are expressed in language that is familiar to those people who will make use of the tool.

FIGURE 2: 3M'S LEADERSHIP COMPETENCY FRAMEWORK<sup>8</sup>



HR SOLUTION (CONTINUED)

*Anchoring Leadership Competencies in Behaviors*

In order to ensure that the organization could utilize the competency model effectively for the purposes of assessment, development planning and succession planning, it was important to 'anchor' the identified competencies in observable leadership behaviors. This would enable current executives to pinpoint which aspects of leadership they were delivering on, what their development needs were, and would clarify for more junior employees the paths to executive roles at 3M.

The project team's objective was to describe, in behavioral terms, what is a high degree of leadership competence. In order to identify relevant behaviors at different levels of competence, the global HR team conducted critical incident interviews with 70 executives across 3M's operations.

Critical incident interviewing is a long-established method of identifying the characteristics of effective job performance. Individuals in the position being analyzed are asked to identify behaviors or activities that can be demonstrated to be critical to either effective or ineffective performance.<sup>7</sup>

The process used by 3M to identify definitive behaviors indicating leadership competency is described below.<sup>8</sup>

1. Members of the global HR team met in pairs with individual participating executives and discussed with them descriptive examples of individuals or incidents associated with a high degree of competence in two of the identified competency areas.
2. The discussion yielded a range of behaviors associated with each of the two competencies.
3. The team identified three to five of the revealed behaviors — which were observable on the job and generalizable across the world's regions and markets — as definitive indicators of high-level leadership competence.

As an illustrative example of the types of behaviors that were identified at 3M, the anchors for the 'global perspective' competency are presented in Figure 3.

FIGURE 3: BEHAVIORAL ANCHORS FOR 'GLOBAL PERSPECTIVE' LEADERSHIP COMPETENCY <sup>9</sup>
<ul style="list-style-type: none"> <li>▪ <b>Global Information Sourcing</b> — Respects, values and leverages other customs, cultures and values. Uses a global management team to better understand and grow the total business; able to leverage the benefits of working in multicultural environments.</li> <li>▪ <b>Global Resourcing</b> — Optimizes and integrates resources on a global basis, including manufacturing, research and businesses across countries, and functions to increase 3M's growth and profitability.</li> <li>▪ <b>Global Customer Orientation</b> — Satisfies global customers and markets from anywhere in the world.</li> <li>▪ <b>Global Awareness</b> — Actively stays current on world economies, trade issues, international market trends and opportunities.</li> </ul>

*Linking the Leadership Competency Model to Leadership Development and Succession Planning*

The three primary applications of 3M's new leadership competency model are presented below:

- **Leadership Talent Review Tool**  
In order to build the use of the competency framework into a talent review process, the project team designed a personal interview process that asked senior executives to rate the degree of competence of each of their direct reports (against the identified behavioral anchors) as "not a strength", "sufficient" or "a strength." In a pilot program, the members of 3M's Operations Committee rated their direct reports, a total of 70 individuals. The CEO then led a review of leadership talent among this group at a monthly meeting of the company's *Executive Resource Committee*. This talent review is now an annual process at 3M.
- **Targeting Leadership Talent Development**  
3M's comprehensive competency model helps executives to consistently communicate to the employee population the competencies and behaviors that 3M expects its future leaders to display. Current and potential leaders and their managers have a clear view of those criteria against which their performance will be judged and can take targeted action to gain experience and improve in these areas. Employee performance is assessed against the competency model and individuals receive feedback on their strengths and needs.
- **Long-Term Leadership Succession Planning**  
3M examines potential appointments to leadership positions by considering individuals' strengths against the competency model, on the basis that high-potential employees who consistently exhibit effective leadership behaviors will progress to leadership career paths. This progress is validated and closely monitored by observing business results and the results of objective performance assessments, and the company provides appropriately targeted developmental opportunities to allow individuals to refine their leadership competencies with the objective of fulfilling the profile specified by the competency model.

LESSONS LEARNED

3M has not published results directly attributable to the creation of its leadership competency framework. However, the company's leadership development executives perceive that the model has been well-received internally, and are confident that it will deliver tangible results. Because the competencies and behaviors in the framework are articulated with reference to 3M culture and values, development executives believe the newly-developed competency model to have "vitality and relevance" for those using it.<sup>10</sup>

*"[Although] much work remains to be done... we are well on the way to deepening bench strength and developing stronger incumbent leaders. With further development of leadership and talent assessment and succession applications, 3M leaders expect the extra time invested in customizing these solutions to result in measurable business success."<sup>11</sup>*

— 3M Executive Director of Selection, Assessment and Leadership Development, and Development and Measurement Center Manager

<sup>1</sup> Les Pickett, "Competencies and Managerial Effectiveness: Putting Competencies to Work," *Public Personnel Management* (22 March 1998). (Obtained through Lexis-Nexis).  
<sup>2</sup> Cited in Faye Cope, "Current Issues in Selecting High Potentials," *Human Resource Planning* (January 1998). (Obtained through Dow Jones Interactive).  
<sup>3</sup> Stephanie Craig, "Using Competencies in Career Development," in *Designing and Achieving Competency*, 1992, McGraw-Hill (UK).  
<sup>4</sup> Margaret Alldredge and Kevin Nilan, "3M's Leadership Competency Model: An Internally Developed Solution," *Human Resource Management* Vol. 39, Nos. 1 and 2 (Summer/Fall 2000).  
<sup>5</sup> Les Pickett, "Competencies and Managerial Effectiveness: Putting Competencies to Work."  
<sup>6</sup> Margaret Alldredge and Kevin Nilan, "3M's Leadership Competency Model: An Internally Developed Solution."  
<sup>7</sup> Rajvinder Kandola and Michael Pearn, "Identifying Competencies," in *Designing and Achieving Competency*, 1992, McGraw-Hill (UK).  
<sup>8</sup> Margaret Alldredge and Kevin Nilan, "3M's Leadership Competency Model: An Internally Developed Solution."  
<sup>9</sup> *Ibid.*  
<sup>10</sup> *Ibid.*  
<sup>11</sup> *Ibid.*

PROFESSIONAL SERVICES NOTE

The Corporate Leadership Council has worked to ensure the accuracy of the information it provides to its members. This project relies upon data obtained from many sources, however the Council cannot guarantee the accuracy of the information or its analysis in all cases. Further, the Council is not engaged in rendering legal, accounting or other professional services. Its projects should not be construed as professional advice on any particular set of facts or circumstances. Members requiring such services are advised to consult an appropriate professional. Neither the Corporate Executive Board nor its programs are responsible for any claims or losses that may arise from any errors or omissions in their reports, whether caused by the Corporate Executive Board or its sources. The views expressed herein by third-party sources do not necessarily reflect the policies of the organizations they represent.

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