

An Examination of Global Leadership Development Strategies for Multinational Corporations

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Abstract

The rapid expansion of globalization has increased the need to expand the capabilities of organizational leaders to include competencies that go above and beyond those of local leaders. This need is particularly evident among multinational corporations (MNCs). A variety of global leadership development (GLD) models have been developed to meet this need. Some aim to identify characteristics of what makes a good global leader. Others look at how best to train and develop these leaders. Still others look at the varying leadership needs among countries and regions (Herd, Alagaraja, & Cumberland, 2016). The purpose of this paper was to identify common themes found among GLD research and to introduce GLD models that address those themes. Brake's *Three Lenses* is used to identify competencies needed for successful global leaders. The Experiential Learning Theory (*ELT*)/ cultural intelligence (*CQ*) *hybrid* combines measures that recognize global leadership competencies with techniques that cultivate and monitor growth through experience. The Kozai Group's *Global Competency Inventory* and the *Mapping-Bridging-Integrating* process model developed by Lane and Maznevski address the group leadership skills needed to manage a global team. Results revealed that each model is useful for its designed purpose; however, no comprehensive model exists that incorporates concrete definitions, reliable assessment measures, practical application strategies, and training methods.

Key Words: Global Leadership Development (GLD), GLD Competencies, Cultural Intelligence

Introduction

The exponential growth of global development has uncovered the need for multinational corporations (MNCs) to examine factors related to successful outcomes outside national borders, particularly among emerging economies. Park, Ungson, and Zhou (2013) found that successful MNCs have four common characteristics: relationship-building, technical expertise, passion, and resilience. Research has established that the most problematic of the four qualities among many MNCs is connected to relationship-building. This is largely due to the continuous call for organizations to adapt their strategies to satisfy the differing needs of local staff, consumers, supply chain partners, and stakeholders of varying countries (Zhao, Park, & Zhou, 2014). Successful outcomes of these adaptations often hinge on the capabilities of an organization's leadership. Effective MNCs understand the need for leaders who have both managerial and cross-cultural abilities. Unfortunately, leaders with these skills have not grown at the same rate of expanding MNCs (Javidan, Dorfman, Sully de Luque, & House, 2006). This is reflected in the high turnover rate among multinational executives (Elegbe, 2017).

A great deal of research has arisen over the past 20 years on global leadership development (GLD). Some aim to identify characteristics of what makes a good global leader. Others look at how best to train and develop these leaders. Still, others look at the varying leadership needs among countries and regions (Herd, Alagaraja, & Cumberland, 2016). The goal of this paper was to identify common themes found among GLD research and to introduce GLD models that address those themes. First, the growth of GLD concepts is discussed followed by an evaluation of four

GLD models: Brake's *Three Lenses*, the *ELT/CQ hybrid*, the Kozai Group's *Global Competency Inventory (GCI)*, and Lane and Maznevski's *Mapping-Bridging-Integrating (MPI)* model.

Growth of GLD Concepts

Similar to many research trends in literature, GLD theories have come in clusters at various times over the past millennium. The first concept that changed the landscape of leadership development to include global capabilities was the inclusion of cultural intelligence (CQ) in the assessment of leadership competencies. Although Hofstede first came up with the idea of understanding business through a cross-cultural lens in 1968, applying and adapting his findings to GLD was brought to life through Project GLOBE in the 1990's. Project GLOBE adapted the Hofstede model to focus on global leadership and organizational behavior effectiveness, bringing a cultural component to GLD (Shi & Wang, 2011). The term CQ was coined by Early & Ang in 2003, ushering in a plethora of new and revised global competency models that assess leadership skills based on cultural competence (Alon & Higgons, 2005; Matsumoto & Hwang, 2013).

In recent times, the rapid expansions of global economic integration and technological advancements have brought about new developments among GLD processes. These are partly due to the growth of business and marketing resources that require increased capabilities among global leaders. However, these developments have primarily stemmed from the changing social attitudes and learned behaviors found among our new global and technological communicative world (Salicru, Wassenaar, Suerz, & Spittle, 2016). In terms of current GLD needs, three recurring themes were identified. The first addresses the widening gap between the need for global leaders with the competencies that breed success and the actual number of qualified leaders to fill those roles. The second looks at the need to incorporate technology training in GLD models and training

programs. The third theme is found among a plethora of research revealing that many GLD terms remain undefined, making it difficult to provide concrete, evaluative measures that determine the effectiveness of CQ inclusion techniques, on the job training, and ongoing evaluation and assessment methods (Salicru et al., 2016; Guzman, 2015; Herd et al., 2016; Brake, 2015; Matsumoto & Hwang, 2013; Ng, Van Dyne & Ang, 2009). The following GLD assessment tools were developed to address some of these needs.

The Three Lenses

One of the pioneers of developing a global leadership model that extended beyond American thinking was Terry Brake. In 1997, Brake introduced “*The Global Leadership Triad*”, a model that incorporated three primary identifiers of successful global leaders with transformational self at the core. These are relationship management, personal effectiveness, and business acumen (Jokinen, 2005). To account for the growth of globalization and the impact that technology has had on global business, Brake (2015) developed a new framework called, *Global Leadership: The Three Lenses*. The *Environmental Lens* looks at competencies from a macro perspective, including ambassadorship, digital acumen, organizational know-how, strategic learning, and a universal perspective. The *Interpersonal Lens* considers competencies needed for group leadership. These include collaboration, conflict management, cultural intelligence, empathetic communication, and networking. Finally, The *Personal Lens* examines the individual competencies needed to be an effective global leader, namely confidence, creativity, curiosity, integrative thinking, and resilience (Brake, 2015).

This model is strong in that it includes the important qualities identified in the Triad model, but adds a more all-encompassing range of competencies that can be used to identify strong global

leaders. The strength of this model is that the three perspectives are culturally inclusive. For example, while individualistic cultures may value the personal lens, collectivist cultures may place more importance on the interpersonal lens. Also, while some industries may prioritize the skills-based competencies found in the environmental lens, service-based industries may require leaders with more competencies housed in the interpersonal and personal lens. Another strength found in this model is its inclusion of digital acumen- a needed competency that has not yet been added to many models. Also, although there are quite a few competencies listed, they are succinct and structured, as is the model name. This may not be seen as a “strength”, but with the plethora of current research calling for changes in GLD processes and models, very few offer a clear structure or model name.

The weakness of the *Three Lens* model is that its inclusiveness of competencies makes them too broad and difficult to measure. For example, “a universal perspective” is a competency found under the *Environmental Lens*. How is this defined or measured? Determining measures for each competency can be very complicated, time consuming and subjective. Unless matrices measuring each of these competencies are developed, then this model will not provide much use in identifying or tracking the growth of global leaders within an MNC. However, this model is one of the most comprehensive measures for identifying global leadership competencies and may be useful at the hiring stage.

The ELT/CQ Model

In 1984, David Kolb developed the Experiential Learning Theory under the umbrella of psychological cognitive development. This theory has been widely used in the business industry as a leadership assessment tool known as Kolb’s Learning Style Inventory (LSI). ELT is

comprised of four stages of learning that stem from experience (as opposed to knowledge sharing). The philosophy of ELT is that true learning is achieved when someone undergoes 1) a *concrete experience*, 2) *reflective observation* of that experience, 3) *abstract conceptualization* leading to new or modified ways of thinking, and 4) *active experimentation*, or applying this new way of thinking in a real world setting to test its validity. Once these four stages are complete, they create a new “concrete experience”, bringing us back to stage 1 where the learning process is repeated (McLeod, 2013). Cultural Intelligence was born out of a multiple intelligence theory created by Sternberg and Detterman (1986) and houses intelligence under four ways in which an individual learns. These include *metacognitive intelligence* (awareness), *cognitive intelligence* (knowledge structure), *motivational intelligence* (motivation for topic), and *behavioral intelligence* (ability to apply learned behavior). Ng et al. (2009) developed a process model by merging the two theories.

The strength of this model is that it provides a concrete measure to identify global leadership competencies and adds a training process that takes managers with identifiable CQ skills and helps them to develop and assess GLD competencies through the ELT process. The ELT/CQ model combines measures to recognize global leaders while concurrently providing ways to implement and measure growth through experiential learning. The model includes ways to prescreen for proper selection, monitor ongoing growth or stagnation, and incorporate ways to cultivate competencies through experience. This is one of the few models that incorporates all three steps discussed in current literature (identification, training, and evaluation of GLD), making it a strong model that can be tested over time and prove useful in both theory and practice.

The drawback of this model is that there are no accounts for the time it may take to develop some competencies over others. For example, cognitive intelligence is needed to learn new skills, but understanding how to process and read “big data” is very different than learning how to analyze

reports. Different skill sets are needed for different jobs, and some people will never develop the cognitive skills needed for certain managerial jobs regardless of cognitive abilities or amount of “on the job” experience. It could be argued, however, that a person with strong ELT/CQ capabilities will have the ability to find solutions to the areas where individual skills are lacking. For example, a successful global leader would make sure to hire someone with the skills needed for specific tasks that are beyond their abilities or they might find the latest software program that does the analysis for them. Although these factors are implied, the definitions are broad and it would require the skill set of the hiring committee or CEO to “read between the lines” when looking for and analyzing talent through this model.

Global Group Leadership

Any team that comes together to complete a project must trust the knowledge, abilities, and intentions of their team members. This has been found to be particularly important among teams with a deep level of diversity (Gilson et al., 2015). Ferrazzi (2014) found that trust in these types of settings is cultivated through the communication processes implemented through good leadership. Gilson et al. (2015) found that team members expressed satisfaction with their global teams when the variables needed to build trust were adequately managed. Two GLD models that address the unique challenges of managing a diverse team are the Kozai Group’s *Global Competency Inventory (GCI)* and Lane and Maznevski’s *Mapping-Bridging-Integrating (MBI)* model.

The Global Competency Inventory (GCI)

For assessing the group dynamic of global leadership, the Kozai Group's Global Competency Inventory (GCI) appears to be the strongest assessment when considering the global organizational workplace across the board. This makes it a strong candidate to be used as a measure of successful group leadership in the global arena. Several books have been published by the founders of the Kozai Group and several articles have been found that refer to the validity and reliability measures used by the Kozai partners. For example, Herd et al. (2016) noted research done by the group in 2013 to be one of the most, if not the most, comprehensive and thorough review of global leadership competency assessment tools. The GCI encompasses the 16 most identifiable global competencies and houses them under three dimensions of global leadership: Perception management, relationship management, and self management (Kozai Group, n.d.). Although this is a great tool for assessing group leadership competencies, it does not provide any practical application methods for procedural implementation. In terms of global leadership assessment, however, the GCI is an excellent tool for identifying strong candidates and providing measures for personal growth.

The MBI Model

In terms of practical application, providing the right communication outlets, organizing team meetings, facilitating knowledge sharing and feedback loops, and clarifying goals are all tasks that must be executed by a team manager. Lane and Maznevski (2014) narrow down the process of successful global team building in three phases: Mapping-Bridging-Integrating (MBI). The MBI process is a simple but effective way to build a strong foundation among any team - regardless of the depth of diversity among members. The mapping (M) piece requires an

understanding of both the organizational and national cultural differences of a newly formed group. Bridging (B) is communicating across those differences. The final step, integrating (I), entails managing the differences to form a successful team. Many American companies have incorporated the “mapping” aspect of team building, using workshops, retreats, and personality assessments with the goal to understand and appreciate differences (Mackin, 2007). However, there seems to be a lack of bridging and integrating strategies among organizations. This simple strategy has the potential to change theory into practice with the right global leader if continuous evaluation and flexibility are present.

Conclusion

The recent realization that global leaders require a greater number of competencies than local leaders has brought forth new assessment tools and models for global success over the past decade. In an empirical study on the success of MNCs in India, Leavy (2014) discovered that the difference between success and failure among these organizations was largely connected to the managers’ true understanding of the culture and his/her development of a long term mentality as opposed to a transnational management model with one foot in and one foot out. This promotes true cultural intelligence and alleviates the managerial mistakes that often come from having a superficial understanding of their environment. Unfortunately, the demand for qualified global leaders far outweighs the supply (Elegbe, 2017). Assessment tools like the *Three Lenses*, the *CQ/ELT*, the *GCI*, and the *MBI* are a great start to providing global managers and human resource companies with the tools needed to hire, train, and assess the best candidates suited for GLD. The *Three Lenses* and the *GCI* were both found to be reliable and comprehensive assessments of global leadership competencies while the *CQ/ELT* and the *MBI* provided practical application methods useful for training and development. It is recommended that MNCs choose one assessment tool

and one practical application tool for the hiring, training, and evaluating of global leaders within their organizations.

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