

6.22: Importance of Leadership in a Global Economy

Over the years, leadership scholars have found in their studies that, when talking about the leadership process, culture matters. Koopman, Hartog, & Konrad (1999). In general, the leadership literature points to the critical need for cross-cultural and global leadership, especially given the pressing need to build networks and relationships Goldsmith, Greenberg, Robertson, & Hu-Chan (2003). and to create an appreciation for differences and similarities. Bennis noted that, although leadership competencies have remained the same, it is “our understanding of what it is and how it works and the ways in which people learn to apply it has shifted.” Bennis (1985), p. 3.

Leadership theories and models available thus far, while helpful in understanding leadership development, are inadequate paradigms for a full understanding of the changing nature of leadership in the 21st century. Goldsmith et al. Goldsmith et al. (2003), p. 7. argued for new forms of leadership that include thinking globally, appreciating **cultural diversity**, developing technological savvy, building partnerships and alliances, and sharing leadership. Research into **cross-cultural leadership** revealed that understanding national cultures is critical to leadership development and that organizations must accept differing perceptions of leadership. Derr, Roussillon, & Bournois (2002), p. 298.

Leadership theories and programs that operate from a Western-based, **androcentric framework** hinder the shift that is required for understanding leadership on a broader level. Situational leadership theories, Northouse (2007), pp. 15–108. which focus on leadership traits, skills, and styles, are inadequate models in this regard because their basic foundation (understanding the individual as leader) implies a Western-based ideology of leadership that does not exist in many national cultures; therefore, the underlying concepts of this style of leadership do not always translate universally. Other theories, such as **transformational** and **team leadership**, emphasize the collective voice as essential yet neglect the cultural implications for leadership. Even cultures that share similar Western beliefs about organizational structure still operate differently based on their unique cultural contexts. Mutabazi (2002), p. 204.

In a global economy, it is becoming increasingly more important to understand the wants and needs of those we serve, that is, the internal and external stakeholders. Having awareness of this need means that leaders must be able to shape the culture of their organizations to address changing stakeholder needs. Edgar Schein noted that leaders can do this by having a “personal sense that they are the creation of the cultures of the countries, families, occupations, and reference groups, and that culture plays a huge role in the capacities of their organization to form.” Schein (2006), p. 259. Culturally intelligent leaders need be strategic in aligning the culture of their organizations with the people who work in them. This **organizational culture** becomes an advantage for leaders, making it easier for them to respond to external environmental factors, which include culture shifts.

Debbe Kennedy Kennedy (2008), pp. 35–40. proposed the following five qualities that leaders need in order to address and use cultural differences to the advantage of their organization:

- *Leaders must make diversity a priority.*
- *Leaders must get to know people and their differences.*
- *Leaders must enable rich communication.*
- *Leaders must make accountability a core value.*
- *Leaders must be able to establish mutualism as the final arbiter.*

These five characteristics I have seen as important differences between the ways that managers and leaders handle cultural conflicts and situations. Culturally intelligent leaders are those that elevate diversity to the top of organizational planning and view it as a critical factor to innovation and creativity. Innovation in diversity begins with a definition of diversity, which many organizations lack or have poorly articulated. If they do, diversity definitions are focused on race and ethnicity and do not explore the dynamic dimensions implicit in culture. In a 2007 study on diversity in the workplace, the Society of Human Resource Management *Human resource management guide* (n.d.). reported that only 30% of organizations have a shared definition of diversity in the workplace. However, 75% feel that diversity can be used to improve work and relationships. A focus for, and an articulation of, defining diversity and its importance in the work force can open dialogue for organizations.

Having culturally intelligent leaders in organizations matter because they help to develop a curiosity for differences in the workplace in employees. They help to provide access to information and intentionally gather cultural knowledge on a daily basis that will help them and others learn more about differences and the influence of differences in the workplace. Additionally, leaders can foster creativity and curiosity when they set aside some time, on a day-to-day basis, to practice and master their cultural intelligence skills.

When I have seen culturally intelligent leaders in action, they cultivate an environment of trust, which is critical when working with differences in the workplace. Patrick Lencioni (2002). wrote that trust is a critical foundational element in interpersonal relationships. Leaders must be willing to be vulnerable in intercultural interactions, openly admitting what they know and don't know about culture and cultural differences. They must be able to admit that they might not be able to resolve intercultural differences. By demonstrating vulnerability, a leader enables richer communication and creates an inviting space and environment for intercultural dialogue. In this situation, people are more willing to ask for help and to provide one another with constructive feedback; they take risks and learn to appreciate the differences in skills and style that each person brings to the work environment.

For diversity and culture to flourish in organizations, everyone in the workplace must hold each other accountable toward differences. My experiences working with leaders of different sectors, both formal and informal, have shown me that the creation of a mission and vision for diversity can only take an organization so far. Culturally Intelligent leaders create standards of accountability, explaining what is expected of each employee and of themselves in intercultural interactions.

As an example, I was brought in to facilitate a workshop about cultural differences for public sector employees. In this workshop, the city manager and a city council member were present; they wanted to demonstrate to their employees the importance of culture and their commitment to diversity in the city. At the end of the session, they stood up and addressed the participants, reminding them that the workshop they participated in was only one of many to come. Moreover, the city manager and city council member told the employees that they would do whatever it took to ensure that everyone was held accountable for delivering culturally relevant services to the department's clients. In this way, "Putting differences to work is greatly enhanced when personal responsibility is a common thread woven tightly into everyone's fabric." Kennedy (2008).

When everyone is held accountable for their choices and behaviors in an intercultural workplace, there is a higher level of respect and trust among workers. Everyone is encouraged to perform his or her best and to hold themselves to the highest standards in working with each other. Intercultural conflicts still occur, but the responses to these conflicts from individuals are different.

Lee Bolman and Terrence Deal (Bolman & Deal (2008). wrote that organizations are a coalition of individuals and groups with different interests, preferences, and beliefs. The differences among individuals and groups can change, but this usually occurs very slowly. Leaders must be able to identify mutual interests, values, and beliefs in order to create a culture of mutual **interdependence**. Because conflict is unavoidable, and often necessary, it is best for leaders to create a picture of mutual dependence that is both beneficial and progressive for employees.

Leadership matters even more when cultures are intertwined in the workplace. Leadership and culture are like two pieces of rope. On their own, they can be used to bundle objects, connect one thing to another, and even support weight. When threaded and intertwined, they do all of these things but are much stronger and have less chances of being snapped. A rope is firm and strong yet flexible and pliable. Because change is constant, leaders can use their cultural intelligence to steer organizations, and those they lead, toward finding innovative strategies and solutions to intercultural issues.

Like an anthropologist, culturally intelligent leaders explore, discover, and find cultural artifacts in their business environment that are both barriers to, and promoters of, growth. A culturally intelligent leader will accomplish this from an "outsider" perspective while keeping his or her "insider" perspective in line. Ronald Heifetz (1994). says that one should take a leap to get a balcony perspective when one has been on the dance floor too long; this enables one to see a bigger picture of what is really going on in the intercultural business workplace. Reminding yourself that what you see is only one perspective of a bigger picture can help you to pay attention to what you did not notice or what you cannot see. Cultural intelligence requires leaders to take a critical role in guiding different values in order to bring them into alignment with the business. However, leaders need not do this alone; in fact, they should invite and encourage members to assist in addressing diversity and then challenge them to be culturally intelligent as well.

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