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DARE TO EMBRACE DIFFERENCES: LEADERSHIP COMPETENCIES FOR UNILEVER Maarten-van Beek Manager, Recruitment Unilever Postbus 1925, 3000 BX Rotterdam, The Netherlands Tel: (31) 6-53419550 E-mail: Maarten-van.[email protected]com Grachev, Mikhail V. Associate Professor of Management Western Illinois University 3561 60th Street, Moline, Il 61265 USA Tel (309) 762-9481 Fax (309) 762-6989 Abstract. This paper focuses on leadership competencies in multinational companies.

It displays culture-contingent nature of effective leadership and reviews the lessons learned from Global Leadership and Organizational Behavior Effectiveness (GLOBE) research that are applicable to the multinational companies. The authors analyze Unilever's experience in building leadership competencies and the results of interviews with company managers in Russia. The authors discuss culture-specific adjustments to the process of building leadership competencies in the Russian subsidiary and summarize innovative solutions in leadership development for multinational companies.

Key words: cross-cultural management, leadership, multinational companies, emerging markets Address correspondence to: Mikhail Grachev, Associate Professor of Management, Western Illinois University, 3561 60th Street, Moline, Il 61265, USA; Tel (309) 762-9481; Fax (309) 762-6989; E-mail: [email protected]edu DARE TO EMBRACE DIFFERENCES: LEADERSHIP COMPETENCIES FOR UNILEVER Abstract. This paper focuses on leadership competencies in multinational companies.

It displays culture-contingent nature of effective leadership and reviews the lessons learned from Global Leadership and Organizational Behavior

Effectiveness (GLOBE) research that are applicable to the multinational companies. The authors analyze Unilever's experience in building leadership competencies and the results of interviews with company managers in Russia. The authors discuss culture-specific adjustments to the process of building leadership competencies in the Russian subsidiary and summarize innovative solutions in leadership development for multinational companies.

Key words: cross-cultural management, leadership, multinational companies, emerging markets DARE TO EMBRACE DIFFERENCES: LEADERSHIP COMPETENCIES FOR UNILEVER Introduction In the 2000s multinational companies have been seriously considering behavioral resources and leadership competencies in particular, as a source for competitive advantage and sustainable strategic development, while trying to balance global and local perspectives on effective leadership behavior. Universal standards in this area have not been developed yet, and, taking into consideration the contingent nature of strategy and leadership, probably would not be finalized.

However, intensive search for practical solutions in absorbing leadership competencies into corporate strategies in successful multinationals such as Johnson&Johnson, 3M, or Unilever, demands theoretical interpretation of these initiatives. Our study focuses on Unilever, a fast moving international consumer goods company. On the one hand, Unilever has seriously considered behavioural resources for winning in the global markets and developed a competency model, the ' Leadership for Growth Profile' (LGP), which has been implemented world-wide.

On the other hand, Unilever emphasizes its willingness to operate most effectively in local markets – as a multi-local multinational company. That is why we aim to outline the role of cultural differences in the process of building leadership competencies in this global corporation. In this article we suggest an integrated theoretical framework of effective leadership in multinational companies, and further develop this framework by testing it through empirical analysis of leadership competencies at Unilever and at its Russian subsidiary. First, we discuss the contextual issues of effective leadership behavior in multinationals.

Second, we review practices and policies of building leadership competencies at a large and successful multinational company Unilever. Third, we focus on the Unilever's developments in the culture-specific Russian environment. To better understand this particular environment we present the results of our empirical findings on culture and leadership in Russia. Fourth, we test culture-contingent framework by interviewing managers of Unilever's Russian subsidiary and suggest recommendations to multinationals doing business in the emerging markets.

This research contributes to the local versus global debate by giving a framework of how a global competency model can be used more effectively in different cultures, based on the critical business success indicators of the cases which were analysed for this research. Strategic organizational contingencies, societal culture, and effective leadership Our interpretation of leadership competencies in a multinational company combines several streams of ideas. Strategy scholars link core competencies to the firm's

success and discuss the impact of culture on its international strategic behavior.

International human resource management research explores cross-cultural variations in global employment practices and organizational culture. And those in the field of organizational behavior explore the cultural convergence and divergence in international organizational practices and expand traditional view on leadership to situation-contingent and culture-contingent levels of analysis. We suggest a multidisciplinary approach in developing the theory of effective leadership in multinational company and consider GLOBE integrated theory (House 2004, 17-19) on culture, leadership and organizations.

Accordingly, we design the following framework and propose the following propositions (Figure 1). [INSERT FIGURE 1 ABOUT HERE] (1) Resource-based view of the firm suggests that multinational companies build competitive advantage by utilizing their tangible and intangible resources, including those directly related to human behavior in the organization (Barney 1991, 1995). Core competencies – combined skills/behaviors developed through organizational learning, which are valued by customers and are difficult to imitate by competitors – are viewed among the major strategic success factors (Hamel & Prahalad 1990, 1994). 2) In the top multinational companies the concept of leadership is associated not only with traditional dimensions such as traits and styles, but has also been developed to the level of leadership competencies generated through historic process of organizational learning. It this form leadership is viewed as the important of

strategic importance that may influence global performance of multinational company (Hay-McBer 2000). 3) Multinational companies consider different sorts of international environments but may be more or less sensitive to cultural issues in their subsidiaries depending on their strategic predisposition – from ' ethnocentric' to ' geocentric' (Porter 1990; Chakravarthy & Perlmutter 1985; Doz & Prahalad 1986; Bartlett & Ghoshal, 2002). This ' cultural sensitivity' impacts the multinational company's ability to transfer competencies and ethical behaviors beyond national borders (Donaldson 1996; Shenkar 2004).

Predictions based on cultural distance, however, should be made with great caution to avoid simplification when multinational companies' cultures are directly associated with the culture of their home country. In particular, we do not suggest looking at the congruence in cultural values between headquarters and foreign subsidiaries with the prediction that high congruence would lead to competitive advantage before we understand ' strategic configuration' of a multinational. (4) Multinational companies make adjustments to human resources policies, mployee behaviors, and organizational culture while adapting to practices in the countries in which they operate (Adler, Doktor, & Redding 1986; Schneider 1988). They rely on cross-cultural comparisons to perform these adjustments (Hofstede 1980; Rogovsky & Schuler 1997). (5) Multinational companies that consider leadership among their core competencies strongly influence leadership behaviors and leadership development in their international operations. (6)

Business and societal environments also influence leadership behavior (Dunnette, 1976; Bass, 1981; Yukl, 1998).

There is empirical evidence that attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organizations of that culture, and predictive of the leader attributes and behavior that are most frequently enacted, acceptable and effective in that culture (House et al 2004). (7) Organizational culture and practices also affect leadership behavior and leadership styles (Schein 1990). (8) Leader effectiveness is a function of the interaction between strategic organizational contingences, leadership competencies, and leader attributes and behaviors.

Leader attributes and behaviors that meet the requirements of strategic organizational contingencies will result in increased leader effectiveness (House et al 2004). Since this framework sets the stage for a broad and detailed research that requites combined efforts of many scholars, in this article we concentrate on the exploratory study of major propositions, collect empirical data from Unilever, and discuss the implications of this multidisciplinary approach to multinational companies. Unilever: focus on leadership competencies

Unilever was created in 1930 when Margarine Unie, a Dutch margarine company, and Lever Brothers, a British soap and foods company, merged. Today most Unilever sells products in 150 countries under the leading brands such as Dove, Rexona, Lipton, Bertolli, and Knorr. In 2003 Unilever generated revenues $53. 7 bln and net income $2. 47 bln. Its current

workforce is about 270, 000 employees worldwide. In 2001 Unilever announced its new strategy ' Path to Growth' reducing the number of products in its portfolio from 1, 200 to 400, shifting focus to Unilever brands, and reating space for global growth. One of key strategic thrusts known as ' Building an Enterprise Culture' aims to encourage employees to winning behavior in the marketplace through their mindset, passion, and motivation. This culture is designed through organizational restructuring, assessment, workshops, and rewards. Most important in this strategic re-direction is Unilever's new competency model, the Leadership for Growth Profile (LGP), which combines the following components. First, everyone in the company is expected to create growth vision.

Growth is considered the key criteria for employees' behavior at Unilever. Second, everyone has to drive growth through implementation and to energize others for growth. Third, it is important to secure commitment to growth. And by defining a new set of LGP competencies/factors and using it for management development and recruitment Unilever tries to change manager's behavior and increase behaviors which are more linked with achieving strategic goals for growth (Figure 2). [INSERT FIGURE 2 ABOUT HERE]

Corporate Purpose Statement describes what Unilever ' aspires to be, as well as expresses its values and beliefs' and points out Unilever's focus on local culture. In this multi-local multinational company, local operating companies are able to draw on the resources of a global corporation and bring together global scale and local relevance. In the 1991 Unilever entered the Russian

market and opened its office in St. Petersburg, later transferred to Moscow. Today the company employs more than a thousand people in about 50 cities of Russia.

It manufactures and sells consumer products to different markets, such as shampoos, deodorants, margarine, mayonnaise, products for home and personal care, and also sells its other major products under Unilever brands. Multinationals in Russia: challenges in culture and leadership To better understand the environment for Unilever's business developments in Russia we discuss attributes of Russian culture and leadership. Global Leadership and Organizational Behavior Effectiveness (GLOBE) project conducted in 62 countries( displays current profile of the Russian business culture (Figure 3).

When compared to other countries on GLOBE cultural dimensions, Russia has extreme scores: very low in Uncertainty Avoidance, Future Orientation, Performance Orientation, and Humane Orientation, very high on Power Distance. In particular, in a behavioral set of findings, the extremely low Uncertainty Avoidance could be considered favorable for entrepreneurship activities unless one links it to the very low Future Orientation. This can be interpreted as a lack of vision in management and entrepreneurship, and as a primary focus on survival and short-term business development.

Low Performance Orientation makes it difficult to encourage managers to focus on continuous improvement and learning. Low ranking on Humane Orientation raises doubts about long-term investments in human resources. High Power Distance indicators explain the tough bureaucratic measures in

crisis management and in restructuring enterprises and industries (Grachev, 2004). These findings support the other research results on culture attributes of Russian business and management (Elenkov 1997; Naumov and Puffer 2000; Michailova 2000). INSERT FIGURE 3 ABOUT HERE] GLOBE findings on Russia display leadership profile of an administratively competent manager, capable to make serious decisions and inspire his followers to meet performance targets. To a certain extent he/she relies on teams and through diplomatic and collaborative moves succeeds in integrating efforts of their members. However, in his/her actions there is not much interest in humane orientation to the others and modesty in personal behavior. He/she may sacrifice a lot and does not take much care of saving face.

Status is not important to the modern Russian business leader. GLOBE results suggest that universal positive leader attributes such as Charismatic/Value-Based Leadership and Team Oriented Leadership are considered as contributors to effective leadership in Russia. While the level of such influence is much lower than in most of the other countries, transitional society fits the global leadership dimensions. The other two dimensions that nearly universally contribute to leadership – Participative and Humane orientation – have limited impact in Russia.

Universal negative leader attributes such as Self-Protective and Autonomous, are also not very important. Summarizing these findings one may consider Russia as marginal in finding the ways for effective leadership concepts and practices within the global framework (Grachev & Bobina 2004). Other research supports these findings (de Vries 2000). After the collapse of

Communism in the 1990s the leading multinational companies entered emerging markets and Russia in particular (Shama, 1995, 2000; Arnold & Quelch 1998; Hoskisson et. al 2000).

There has been strong interest in multinationals' adjustment to unfamiliar local practices in this post-Communist economy (Ralston 1997; Fey & Beamish, 2000; Rondinelli & Black, 2000; Grachev & Bobina 2002; Engelhard & Nagele 2003). Scholars paid particular attention to local human resource management practices and the ability of multinational companies to successfully perform these functions (Shekshnia 1998; Fey & Bjorkman 2001; Grachev 2001; Minbaeva et al 2003). Multinational companies, of course, vary in the effectiveness of their behavioral practices in Russia.

Successful multinationals propose internationally recognized competitive elements: various " packages" of motivation programs, broad employee participation in decision-making, encouragement of creativity, environments favorable to employees' continuous education, in-corporate training and self-improvement, and promotion of shared company values (Fey et al. 2000). Multinational companies' experiences in Russia reinforce the belief that managers are innovative and dynamic professionals. They clearly articulate values and share them with the majority of employees.

They underline their commitment to long-term presence in the country and focus on key issues of social commitment, including charitable and educational activities, mutual respect, and trust, encouragement of innovation and entrepreneurship, and equal rights and opportunities for

organizational members. However, only few multinationals, including Unilever, focus on linking leadership behavior to the overall business growth and to building strategic leadership competencies. Empirical design and major findings

In order to test the leadership competencies framework in a multinational company we followed a traditional approach to qualitative data collection and ethnographic fieldwork (Miles and Huberman 1994; Uzzi 1996). First, we tried to understand how Unilever's management perceived Russian societal culture and adjusted behavior to this culture. For this purpose we interviewed the expatriate manager – HR Director at Unilever subsidiary in Russia. Second, we surveyed managers of this subsidiary who were native Russians and tried to understand the priorities in competency building as well as the cultural peculiarities of these perceptions.

Third, we explored how Unilever bridges culture and the process of building leadership competencies. (a) Linking culture to strategy Our monitoring of Unilever's cultural and leadership practices began in 2001. In 2002, in order to test the behavioral profile of Russian management and to better interpret, examine, and enrich the GLOBE results, we interviewed expatriate HR country Director. On each GLOBE dimension, this manager was asked two sets of questions. First set of questions asked if the Russian score on selected dimensions had provided strategic advantage or strategic disadvantage to Unilever.

The second set of questions was linked with the first one: if it provided an advantage, did Unilever capitalize on this or not? If it provided a disadvantage, did the company try to correct this or not? This interview displayed the perception of the advantages of the Russian GLOBE configuration (Figure 4). One of such areas was high scores on Collectivism. The country HR Director positively assessed the ability of Russian managers and employees to work in teams and to follow group norms, to create space to share achievements widely, and to integrate efforts and to build organizational commitment.

Unilever has developed a sophisticated system to exploit this factor and motivate the high loyalty of its Russian managers, sometimes pushing them to sacrifice individual interests. Environment with high Collectivism helps Unilever to combine innovative efforts within the company and target specific groups in the market. The respondent, however, indicated an unusually high influence of trendsetters within collectivist environment. [INSERT FIGURE 4 ABOUT HERE] Unilever expatriate manager indicated low Performance Orientation as he other advantageous cultural attribute for the company. Low score on this dimension reflects the heritage of the previous command system and painful realities of current economic transition. They are difficult to change in the short period of time. However country HR Director underlined that additional performance-oriented rewards and recognition have enormous impact on personnel, and Unilever have been using these motivators effectively. The expatriate HR Director pointed on

Russian cultural disadvantages. One such area was low score on Uncertainty Avoidance.

Unilever tried to correct the influence of this factor by providing clear corporate guidelines, and by avoiding bureaucratic practices. Low score on Assertiveness was also considered as significant negative factor. The respondent explained this score referring to conformism and lack of leadership initiative. He also mentioned that assertive expatriates have stronger voice in the Russian subsidiary. To balance the negative impact of this factor, Unilever designed specific programs encouraging initiative and focused on selecting assertive Russian managers for quick promotion.

This interview displayed Unilever's serious consideration of low Future Orientation and high Power Distance, and their impact on company policies. Per interviewee, low Future Orientation was considered as negative factor, but it provided advantage to Unilever. The company was trying to be more future-oriented and to make this orientation an advantage over less future-oriented competitors. (b) Extracting leadership priorities in the cultural setting The main input in the second stage of our research is based on interviews with the Russian managers of Unilever's subsidiary. Figure 5 displays sample composition.

We interviewed 20 managers of which 19 transcripts were valid. In these interviews we used 51 cases transferred into behavioral indicators which could be further categorized into competencies. All interviews were conducted in English and tape-recorded. [INSERT FIGURE 5 ABOUT HERE]

The interviewees were native Russians, with good command of English language (only one was not fluent English but could effectively communicate with interviewer), responsible for a team, assignment or another organisational unit, and living abroad less than three years (to ensure that they are not influenced too much by other cultures).

Our research focused on what Unilever defines middle management, covering managers in leading positions with a work experience of at least 3 years and with organisational or functional end responsibilities. In these interviews we focused on the following major issues: Which leadership competencies lead to business success? Are the competencies which lead to business success part of Unilever's LGP? Are the competencies which lead to business success country-specific for Russia? The interview format was based on the Behavior Event Interview technique (BEI) that permits to assess and predict future effectiveness of leaders (Dunnette 1976).

The interviews were semi-structured and focused on examples/cases – at least 2 per interview – which visualize the behavioral aspects of successful business achievements. Based on the business examples/cases given in the interviews, behavioral indicators have been written down and translated into competencies. During the interviews we asked the interviewees to talk about business success cases. To make sure these cases were real and the interviewee had an actual role in the business success case they described, we used their Personal Development Plans (PDPs) for verification purposes.

To increase reliability two interviews were analyzed by a second expert person – HR manager from Unilever. In this way the inter-observer reliability was checked. This expert analyzed the tapes, wrote down the critical behavior indicators, and matched these behavioral indicators with one of the 35 competencies. After conducting and analyzing the interviews we sent a report to the Russian subsidiary HR director for comments, approval, and feedback. Based on leadership competency dictionary we constructed the set of leadership contributors/factor to business success (Figure 6).

Out of 35 competencies eleven fit Unilever's LGP and the other support it as periphery factors. Those eleven competencies were set upon extensive benchmark of those Unilever leaders who created high growth figures in different units and subsidiaries. [INSERT FIGURE 6 ABOUT HERE] The survey displayed about 50 percent of leadership competencies identified by Russian managers that fit LGP. This reflects the validity and instrumentality of LGP. However the other half of standardized competencies that lead to business success were not considered by the Russians as the part or growth strategy.

Three competencies were scored most frequently: ' holding people accountable' (9 cases), ' building sustainable relations' (8) and ' building confidence/trust' (7). This reflects the relational nature of current Russian business practices with high Power Distance and low Uncertainty Avoidance. Relatively lower scores on ' seizing the future' (5), ' passion for growth' (6), low ' strategic influencing' (1), and ignoring the competency ' creating a clear and shared vision' (0) correlate with the low Future Orientation.

Modest score on ' human care' (5) reflect moderate Humane orientation in societal culture. Low scores on ' action oriented/risk taking' (1) competency reflects the low Assertiveness. Lack of interest to ' developing self and others' (0) and to ' organizational awareness' (0), low score on ' change catalyst' (1) reflect low Performance Orientation in societal culture. What came as surprise in our study was the ignorance of collectivism and team orientation – so critical to effective leadership worldwide and traditional to the Russian society.

In particular, there was no interest to ' team commitment' (0), ' team leadership' (0), 'empowering others' (0), teamwork (0). This raises serious questions about the nature of leadership in the current transitional Russian business environment and additional efforts that multinationals may put in teamwork that is imperative to innovative organizations. This survey leads to a set of recommendations for leadership development in a global company that is sensitive to local culture. It may help to improve leadership development programs, processes, and tools.

In addition, this may make a contribution to the field of cross-cultural leadership by adjusting competencies that lead to business success to particular societal culture. Conclusions In this paper we discussed the relations among behavioral factors that contribute to corporate strategic success in multicultural environment. We relied on the theoretical multidisciplinary framework linking advanced research in strategy and organizational behavior. Our exploratory research confirmed strong relations

between cultural attributes and behavioral policies of multinational company in a particular environment.

This study connected the fundamental results of a major cross-cultural study (GLOBE) and its practical implications at a leading multinational company. We learned that the effective company creatively adjusts its policies to the environment and that not all instruments for leadership competency that are traditionally considered as universal work successfully in a country-specific situations. This in turn confirmed the contingent nature of leadership competencies. A framework which takes both business environment and culture into consideration is recommended for organisational middle managers.

Key principles for the framework are: (1) focus on competencies which lead to business success in a particular cultural environment; (2) differentiate and add competencies depending on business, functional or cultural needs, even if they may not be a part of the Leadership for Growth Profile; (3) balance between competencies that build international growth (LGP) and competencies that are necessary to achieve operational business success. The other valuable contribution of this study is detailed description of the cultural profile of a transitional country.

We could summarize the most critical attributes of Russian culture that managers of multinational companies should take into consideration. The future avenues for research include statistical analysis of quantitative data and the development of a comparative framework that should help

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California Management Review, 37(3), Spring, 90-109. Shama A. (2000) Determinants of entry strategies of U. S. companies into Russia, the Czech Republic, Hungary, Poland, and Romania. Thunderbird International Business

Review, 42(6), 651-676. Shekshnia, S. (1998) Western multinationals' human resource practices in Russia. European Management Journal, 16, 460-465. Shenkar O. (2004) The role of cultural distance in international expansion. In Trick, M. (ed) Global Corporate Evolution: Looking Inward or Looking Outward? International Management Series, 4, Carnegie Mellon University Press, 363-371.

Unilever (1998-2005) Corporate documentation. Uzzi, B. (1996) The sources and consequences of embeddedness for economic performance of organization: the network effect. American Sociological Review, 61(4), 674-698. de Vries, M. (2000) A journey into the " Wild East": leadership style and organizational practices in Russia. Organizational Dynamics, 28(4), 67-81. Yukl, G. (1998) Leadership in organisations. Upper Saddle River, NJ: Prentice Hall. 21 35 78 46 Figure 1. Theoretical framework of effective leadership in a multinational company. | | Leadership for Growth Profile: | | | | Create a Growth Vision – Passion for Growth | |- Breakthrough thinking | |- Organizational Awareness | | | | Drivers for Growth – Seizing the Future | |- Change Catalyst | |- Developing others | |- Holding people accountable | |- Empowering Others | | | | Builds Commitment for Growth – Team commitment | |- Strategic influencing | |- Team leadership | Figure 2.

Unilever's Leadership for Growth Profile (LGP) [pic] Figure 3. GLOBE societal culture scales for Russia | DIMENSION | DEFINITION | GLOBE " AS IS" INDICATOR FOR | IS THIS INDICATOR FOR YOUR MULTINATIONAL | IF THIS IS ADVANTAGE, DOES YOUR COMPANY | | | | RUSSIA, | COMPANY AN ADVANTAGE (+) OR | MANAGEMENT TRY TO CAPITALIZE ON THIS (+ +) OR | |

| | RANK (OUT OF 61 COUNTRIES) | DISADVANTAGE(–)? | NOT (+ –)? | | | | | | IF THIS IS DISADVANTAGE, DOES YOUR COMPANY | | | | | | MANAGEMENT TRY TO CORRECT THIS (– +) OR NOT (– | | | | | |– )? | | uncertainty avoidance | extent to which members of the organization or society | VERY LOW (2. 8) |(-) Bureaucratic rituals choke |(–+) Simplification initiatives choke in forms | | | strive to avoid uncertainty by reliance on social norms, | RANK 61 | initiatives | | | | rituals, and bureaucratic practices to alleviate the | | | | | | unpredictability of future events | | | | | performance orientation | extent to which organization or society encourages or | VERY LOW (3. 9) |(+) Reward & recognition have a big |(++) Individual reward & recognition are strong | | | rewards group members for performance involvement and | RANK 59 | impact | motivators | | | excellence | | | | | future orientation | degree to which individuals in organizations or societies| VERY LOW (2. 8) |(-) |(–+) Being better than competiton in this field | | | engage in future-oriented behaviors such as planning, | RANK 61 | | brings competitive advantage | | | investing in the future, and delaying gratification | | | | | assertiveness | degree to which individuals in an organizations or | LOW (3. 38) |(-) Expatriates have too big a voice |(–+) e. g. election of assertive Russian staff | | | societies are assertive, confrontational, and aggressive | RANK 54 | | for promotions | | | in social relationships | | | | | collectivism II (family | degree to which organizational and societal norms and | AVERAGE (4. 50) |(+) Big impact of trendsetters |(++) Targeting products + advertising at very | collectivism) | practices encourage and reward collective distribution of| RANK 18 | | specific groups | | | resources and collective action | | | | | gender egalitarianism | extent to which an organization or society minimize | VERY HIGH (4. 08) |(+) Women

make buying decisions |(+–) | | | gender role differences | RANK 2 | | | | humane orientation | degree to which individuals in organizations or societies| LOW (3. 9) |(-) Resistance to teamwork – western |(–+) Naming teamwork as a key behavior | | | encourage and reward individuals for being fair, | RANK 38 | style | | | | | friendly, generous, caring, and kind to others | | | | | power distance | degree to which members of an organization or society | HIGH (5. 2) |(-) People are still hiding their good |(–+) Open management style | | | expect and agree that power should be unequally shared | RANK 14 | ideas | | | collectivism I | degree to which individuals express pride, loyalty, and | HIGH (5. 62) |(+) |(++) Creating space to share achievements widely | | | cohesiveness in their organizational or families | RANK 18 | | strengthens connection and committment | Figure 4. Perception of Russian societal culture at Unilever (based on interview with expatriate HR country manager). | | | | Russian interviewees | | Worklevel | Worklevel 2 | 15 | | | Worklevel 3 | 4 | | Sex | Male | 6 | | | Female | 14 | | Professional function | Marketing | 6 | | | Sales | 4 | | | Finance | 4 | | | R & D |- | | | Supply Chain | 1 | | | HR | 5 | | Industry affiliation | Foods/Ice Cream and Frozen Foods | 4 | | | Home and Personal Care | 3 | | | Both | 13 | | Average age | 36 | | Total interviewees | 20 | | Interviews used for analysis | 19 | | Cases used for analysis | 51 | Figure 5. Sample composition in research stage two. Competencies | Competencies which lead to business | | | success in Russia | | | | Unilever Leadership for Growth Profile Competencies | | Strategic influencing | 1 | | Team commitment | 0 | | Team leadership | 0 | | Seizing the future | 5 | | Change catalyst | 1 | | Developing Self and others | 0 | | Holding people accountable | 9 | | Empowering others | 0 | | Passion for growth | 6 | | Breakthrough

thinking | 3 | | Organisational awareness | 0 | | | | Competencies other then LGP | | Building Confidence / trust | 7 | | Building sustainable relations 8 | | Create a clear and shared vision | 0 | | Human care | 5 | | Teamwork (common, different from team commitment or team leadership which is more individualistic) | 0 | | Action Oriented/risk taking | 1 | | Out of the box thinking | 1 | | Build Commitment / ownership | 4 | | | | Total: | 51 | Figure 6. The results of survey of Russian managers at Unilever (scores represent how often the competencies were derived from observed behavior as distinctive factor for business success).

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Venture Capital, Journal of Business Venturing, Thunderbird Journal of International Business, Journal of Occupational and Organizational Psychology, Small Business Economics, Journal of Managerial Psychology, Journal of East-West Business, Journal of Small Business and Enterprise Development, IBAT Journal of Management, and Journal of Management Systems.

He is Co-Investigator in Global Leadership and Organizational His research is focused on strategy and international dimensions of organizational behavior. He is the Founding member of GLOBE Research Foundation and Co-Investigator in multinational cross-cultural research project GLOBE. He served as Board Member of International Leadership Association (ILA), advised the World Bank, Soros Foundation, 3M Company and other international organizations. Grachev, Mikhail V. Associate Professor of Management Western Illinois University 3561 60th Street, Moline, Il 61265, USA Tel (309) 762-9481 Fax (309) 762-6989 ( GLOBE is the advanced multinational cross-cultural research project.

It further develops the theory of effects of leadership, organizational practices, and values in 62 countries. Within the GLOBE research societal and organizational cultures are operationally measured by assessing questionnaire responses from middle managers in three industries (telecommunications, food processing, and financial services) with respect to (1) the values they endorse and (2) reports of practices of entities in their societies. The value questionnaire responses concerned respondents' reports of their values with respect to nine cultural attributes (responses in " Should

Be" mode). The entity questionnaire responses concerned the respondents' reports of societal and organizational practices (responses in " As Is" mode).

The values and practices were measured on a 7-point response scale with respect to nine cultural dimensions that display high within-culture and within-organization agreement and high between-culture and between-organization differentiation: societal and family collectivism, gender egalitarianism, assertiveness, power distance, performance orientation, future orientation, uncertainty avoidance, humane orientation. Russian GLOBE data is based on our survey of 450 managers in 1996-1998. ——————– MNC's global strategy and core competencies Leadership as core competency (contributor to sustainable competitive advantage) Strategic predisposition (' global-local') Organizational structure/culture and strategic contingencies Leadership attributes and behaviors in a subsidiary Societal culture, norms, and practices Leaders' effectiveness