

Example of essay on global management

[Business](#), [Company](#)



Global Management Leadership Challenges: Global Mindset

The rapid development of new technologies based on high-speed transportation, the computer chip and Internet information technologies have made our globe, the earth, much smaller in the last twenty five years. The global market place is a “ hypercompetitive, complex, global environment” (Heames & Havey, 2006, 29). In some ways a leader must have the same characteristics of the company he or she leads to be successful such as, having the ability to react to change quickly. The dynamics of the global market place are complex and move at the speed of light. McCall and Hollenbeck (2002) gave this advice a decade ago but it is still true “ Systematic development of global leaders requires an even stronger, more focused commitment than does a domestic effort. You have to know what you are doing, why you are doing it, and what you want to get out of it. Without the clarity of commitment the complexity of the global environment will swamp the effort (8). A commitment to focusing on meeting the objectives is very important advice. The problem with being able to react quickly to market place changes is that becoming reactionary rather than reactive can become an easy trap.

A leader able to keep the deliverables and/or goals of the company in mind as the priority is better equipped to stay balanced within all the complexities they face in a global leadership position. I mention this commitment to the objectives first of all because it has been a big challenge for me. I had to learn and am still learning how to stay focused when there are so many avenues of interesting information that could make me forget my objectives.

I have can understand from personal experience that keeping the ‘ big picture goals’ in my mind can help a person stay on track. For me that means making a sign to set on my desk as a reminder and as I become successful in my career it is a strategy I will keep. Related to this topic is the importance of learning how to synthesize a lot of information and filtering out the extra that is not needed. This requires the same focus technique by careful listening (or reading) to gain what is important and what is interesting but not needed.

A global mindset is a type of communication skill that has grown out of the needs of today’s fast paced world. A leader with a global mindset is able to understand incoming facts and information and apply it to the needs of the company. But there is another half to the global mindset and that is the ability to translate the information to the company personnel so they can understand and take appropriate action. The mindset requires a certain type of intelligence that understands how global businesses and industries work especially how global competition works.

A global mindset also has a psychological component. In worldwide survey of executives the two most needed healthy psychological characteristics for a leader were found to be (a) cultural sensitivity and (b) psychological strength. Cultural sensitivity means that the leader respects the host country and does not pass judgment on cultures that do things differently than we do in the West. This calls for an open-minded individual who is curious, ready to learn new things and try new experiences. A person with an optimistic attitude has psychological strength. When a leader is optimistic that a

problem can be solved the team members, stakeholders and employees will be positively affected by the attitude.

A third component of a leader with a global mindset is a sincere ability to socially connect with people from different countries and different cultures. A social characteristic a global leader needs to have includes making a positive impression on people in different places on the globe. A global leader cannot be someone who only connects with the ‘good old boys’ in the company at the American headquarters but someone who can genuinely connect with other people with diverse experiences and tastes. These social abilities are essential in forming collaborative teams with people around the world. They are also essential in developing new customer bases around the world.

A global mindset may be something some people are naturally born with but it can also be encouraged in both today’s leaders and the younger generation of leaders. A theory of effective leadership management skills first suggested in 1948 by C. I. Barnard work even now to help form a global mindset in the 21st century. Barnard’s common sense leadership characteristics Barnard are probably more important than ever in the complex global atmosphere. The five characteristics he emphasized for future leaders will be described because they fit the criteria leader needs to meet the challenges of today’s global business and marketplace.

Continuing education was an ingredient Barnard stressed. Learning should not stop. A curious mind will be able to understand the global challenges much better than someone who is not interested in learning new information or having new experiences. This may not be the number one attribute on

many leaders list but Heames and Harvey (2006) described Barnard's attitude that " broad interests and wide imagination and understanding" should be a priority for future leaders (34). This fits in with the need for global leaders to be able to adapt to change. It also fits in with the need to design flexibility into their leadership style and into how the company works.

Barnard also pointed out that a future leader would need " superior intellectual capacities (Heames and Harvey, 2006, 35). Due to the complexities of competition in a global world this alone needs someone who can handle a lot of information at once and process information quickly. Now might be a good time to name the other types of complexities a global leader must face and handle well. Although a leader cannot know everything such as how to program the company's computers or set up a network they need to know how the information technology (IT) of the company works and be able to talk about with a real understanding. The other parts of business understanding that were necessary one hundred years ago are still necessary today but there are layers of complexity and the parts that are particularly necessary important to the company must be recognized and used. These include the economy; financing, legislation and international regulations. The third necessary leadership quality is the understanding that human relationships are an integral part of keeping a business running smoothly. The studies I have read for example all agree that a successful leader is direct, clear and honest with employees. If they have concerns about layoffs or moving to another country these concerns should be addressed. A fourth essential ingredient that is necessary is intuition. A leader can research as much as possible but there are always going to be

surprises happening especially in a global setting. Both intellect and intuition are therefore necessary. And a fifth is Persuasion

Multi-national or international companies are not really able to keep up with the challenges a global company must face. The ability to handle a global management leadership position requires different skills.

1. There are four major elements to a global organization (a) adaption which means becoming comfortable in the host country, (b) aggregation which is becoming a part of the system in a new place by working through any differences in the way things are done or in cultural differences or in both, (c) arbitrage which is the way in which differences between cultures are used to the advantage of the company (and I would add that similarities can also be used to the advantage of a company) and (d) integrating the three elements (adaption, aggregation and arbitrage) in a way that best suits a particular situation. (Ghemawat, 4). These major elements are necessary in a global organization and are very different than what has been necessary in the past for 'global firm' and 'multilocal firms.' A global organization is a player in the global marketplace on all levels, from the global region to the local region.

For example Coke Cola is a global company that makes its product at the local level. The customer in India buys a Coke made in India, the consumer in Greece buys a Coke made in Greece yet the Coke-Cola company is a global company which is interested in global expansion. But products are not made in one place and transported around the world the products are made where they can be more easily, efficiently and cheaply distributed to the consumer.

Luo (1999) very carefully explains the differences between today's global companies and the international or multi-local companies that were predominant in the past.

A global expansion strategy is what sets the old and the new types of enterprises apart. There are some similarities in strategies for entering a new market (read a foreign country) but after that the global expansion strategy is one that calls for integration into the community, using positive dynamics to work within the new business culture and incorporative cooperative strategies to successfully accomplish meeting project objectives.

2. Adaption to a different country's culture can mean something as simple and obvious as what kind of plug in is used to plug appliances into the home electricity source. Culturally different ways of cooking and cleaning need to be understood by the makers of small appliances for the home. If a company wants to move into the realm of a successful global organization then research is crucial. For example do the targeted consumers use ovens? IF they use ovens do they use large or small ovens? Do they cook at high temperatures or low temperatures? In the small area of Europe alone there are big differences in what consumers are looking for in the oven they will buy for their kitchen, the washing machine (front or top loader? Large or small load capacity?) and other products that could be big sellers if designed in a way that fits the way the consumer wants to use them. In each of these instances in Europe – England, France and Germany- have different ideas about what they want to buy. Internationally India has different needs than the countries in Europe.

Adaption means not only making sure the right style plug in is built into electrical appliances which is an administrative concern because it has to do with the rules and regulations of the electrical supply in different countries. Climate is a geographic adaption that makes a difference in how many dryers are sold where the sun shines for most of the year or where electricity is more expensive. Ghemawat has pointed out that economics is the adaptive element that really drives sales and types of consumer goods in different countries. The U. S.

can afford huge refrigerators with ice makers in the doors but in a place like India there are not enough families who can afford a refrigerator despite the need for them. A good design can make more money for a global country when one basic platform design can be efficiently and economically used to make products with differences that be sold in different parts of the world. Innovation has been celebrated for many years as great for business. As an adaptive element it is important in order to find new customers in new places. And also

In order to be a successful global organization rather than a failure – adaption is of the utmost importance. The most exciting example of adaption in consumer products is possible because of the ability to make a computer kernel (or micro chip) tiny enough to fit into a wristwatch yet can be powerful enough to run computers. Linux has made a success by building an adaptable operating system that is trustworthy from the point of view of security and reliable from the point of view of being able to count on it to

work. Because the product can be sized differently it can be adapted to different cultural needs.

Aggregation is a way of bridging differences between cultures and using that as a business advantage. Successful aggregation takes the best of regional and the best of global to find a solution – a product design that will please the most consumers. Something that everyone seems to want is an automobile and aggregation has been successfully used to the advantage of the Japanese car manufacturing company Toyota and to the U. S. car/truck manufacturing company Ford.

On the one hand consumers in Japan were happy with the Toyota and the company set up manufacturing companies in the United States so that the Toyota could be built in the U. S. and sold there. Ford was a success in the U. S. before it eventually moved into European markets such as into Germany where it is manufactured and sold to the local consumers. Although Ford made some missteps business wise Fords were seen throughout Europe because they were finally available there. The difficulty of attracting a non-American to a car or truck is the high cost of gasoline in other parts of the world.

This type of bridging saves the company money due to transportation costs which are prohibitive for a product the size of a car or a truck. There are regional adaptations that need to be made in this type of aggregation. The way workers behave in Japan is much different than in the U. S. southeast. But the Japanese were able to overcome racial prejudice towards the Japanese and build and sell cars there. Toyota used regions as bases of

aggregation in order to manipulate the market to its favor. Ford was able to change the size of some its vehicles so they would be small enough to use on European mountain roads for example. The key to successful aggregation strategies is keeping the competitive advantage.

3. The biggest advantage to moving managerial employees to different parts of the world is to increase their value-creation potential skills. The types of skills a leader wants to encourage are the types of skills that no competitor can copy. When managers are sent to work in new places they are given the chance to increase their core competencies in management skills because they will be facing new challenges. Their skills will be developed like a muscle is developed because they will be facing new types of situations that will require them to take a different perspective and to really put new ways of problem solving to a test. Since human resources are organizational resources moving to a new

surrounding is a great experience for appropriate managers who can learn how to use their global experience for rewarding employees, training sessions and workshops and for recruiting for different regions. In business a leader has to make a person respond to persuasion and persuasion is very important to learn in different settings. A leader has to be able to recognize ways to adapt the company's product to meet different cultural needs.

Human resource management must look carefully at candidates before moving them around the world like chess pieces in order for them to get global experience. A global mindset is especially difficult (and I have observed) sometimes impossible for some people. A person with a fear of

someone who looks different or has different beliefs cannot succeed as a global leader. I have seen a person become very angry when they did not receive a promotion. It is true that this person is very good at following the company's rules and very good with details but the position also required traveling to branches in other parts of the world. It was clear to everyone except this particular employee that he would not be able to handle the challenges of traveling to different cultures where he would have to make a good and productive connection with team members there. Also he would not be willing to try to problem solve in new ways. A type of person who is rigid in their thinking and believes there is only one 'right' way to fix a problem cannot be a good employee with leadership responsibilities in a foreign country. I have studied the theories about that and I have seen this example first hand. This type of personality should not be moved around with expectations that he will change.

Building networks across borders and cultures part of the intelligent part of the mindset; what makes them work well and what causes obstacles. Also included is the ability to understand the differences and the similarities between cultures. It is important to remember that people are people everywhere and similarities do exist. But respecting differences can make a success when a leader is willing to adapt a sales method or a strategy rather than bully a foreign culture into 'compliance.' A manager who has a global mindset has 'psychological' strength which means they are able to adapt to new and different situations as well as to problem solve when unexpected problems arise. This type of leader must have an inner self confidence that other people can recognize. Psychological strength is also the perspective a

person takes when faced with many and diverse challenges. Managers should see moving to new places as a reward. They should be excited and curious about learning how to collaborate with new people and people from other cultures. A global leader must be able to cause a feeling of excitement about projects so people in foreign countries will want to become involved in projects.

Crossing a border is not only the matter of flying a plane, or connecting by Internet to a neighboring country, it requires thinking about the changes that happen when moving from one place to another. Working in multi-disciplinary teams has become very important for different projects to succeed so some sensitivity to what they need both psychologically and physically is important. Respect for the human aspect of the employees requires good and consistent communication

Barnard, C. I. (1966). *The Functions of the Executive: 39th Anniversary Edition*. Cambridge, MA: Harvard University Press. Print.

Ghemawat, P. (2007). *Redefining global strategy: Crossing borders in a world where differences still matter*. Boston, MA: Harvard Business School Publishing Corporation. Print.

Heames, J. T. & Harvey, M. (2006). The Evolution of the Concept of the 'Executive' from the 20th Century Manager to the 21st Century Global Leader. *Journal of Leadership & Organizational Studies*, 13(2), 29+. Retrieved from [www. Questia. com](http://www.questia.com).

Luo, Y. (1999). *Entry and Cooperative Strategies in International Business Expansion*. Westport, CT: Quorum Books. Print

Mosley, D. C. & Patrick, K. (2011). Leadership and Followership: the Dynamic Process of Building High Performance Cultures. *Organization Development Journal*, 29(2), 85+. Retrieved from Questia. com.