

Globalization- the leadership challenge assignment

[Sociology](#)



Globalization is not only inevitable, but also a blessing in disguise. It is something like, as Ronald Steel (1999) very aptly puts, “ You try to shut the door and it [the global economy] comes in through the window. You try to shut the window and it comes in on the cable. You cut the cable, it comes in on the internet. And it’s not only in the room with you. You eat it. It gets inside you. ” Globalization refers to a process of increasing economic integration and growing economic interdependence between countries in the world economy.

In an article titled “ The globalization of markets”, Levity(1983) had predicted a new commercial reality- the emergence of markets on a previously unimagined scale of magnitude. He puts forward a theory of globalization where he predicted that one of the effects of globalization would be the emergence of firms straddling the globe and providing standard products. Thus being global is not just about where you do business but how you do business. Challenges Unlike the bounded world, globalizes world needs different sets of leadership skills because the challenges of the globalizes world are entirely different.

The very word global intrinsically also connotes diversity. And diversity itself is a big challenge. Therefore in a globalizes world, we need leaders who have worked in more than one market. Working in markets of different countries helps them to broaden their minds and they start seeing the world as their oyster that helps them to develop an enveloping culture(Sinai and Montana, 2004). An enveloping culture encourages drive, initiative and skills necessary to operate effectively in diverse communities. However honing these skills is not an easy task, and therefore is a challenge in itself.

A survey(1997) of the US Fortune 500 firms has revealed that 85% of the firms do not think they have an adequate number of global leaders. 67% of the firms think that their existing leaders need additional skills and knowledge before they meet or exceed needed capacities. Many senior executives today feel that financial resources are not the problem. The firms have 3 enough money, products and position to be dominant global players. They just lack enough people with the needed global leadership capabilities.

Another formidable task facing the global firm in the 21st SST century has perhaps less to do with how to structure a company or train global managers than with getting a diverse workforce to pull in the same direction. Jack Welch(2001) had said in his speech to GE employees, “ The Jack Welch(2001) of the future cannot be me. Spent my entire career in the United States. The next head of the general electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. ” This clearly implies the growing importance of acquiring a global enveloping mindset and thus the issue of diversity management i. . Managing people with differences in gender, ethnicity, race, education, experience, opinions, beliefs, rationalities, value systems, functions, thought processes, talents, socio- economic status, heritage, perspectives, skills etc. Has received a great attention. Ensuring equal opportunity and equal weight for every employee is another challenge that the global leaders operating in a culturally diverse global environment will be facing. For such a task, globalization has to herald a new breed of managers who would be dealing with diversity through humility.

Meaning, leader-managers must humbly accept that their own perspectives need to be broadened by others. Humility is a vital quality in a leader. If any <https://assignbuster.com/globalization-the-leadership-challenge-assignment/>

company as to continue and prosper, it has to be externally oriented. Therefore, it must have the kind of humility that makes it listen to the customers and seek ideas from outside. Specially, in today's world of competition and the convergence of mobility, we need to perceive changes as they occur and react to it faster than the challenges of the change change us. Having humility doesn't mean that you are quiet and lack the courage to say what you think.

Courage and humility are more complementary than contradictory. The next challenge the global leaders will be facing in managing the company is to create the required energy. By energy we mean a culture of entrepreneurial energy that facilitates innovation, absorption and adoption. Literature(1983) witness that many technologically advanced companies that could make it to the Fortune 500 list in the last ten years do not exist anymore. Therefore, the challenge is not just to innovate but to absorb the technology to the need and suitability of the environment.

And the leaders must be in a position to take enormous risk and sail the boat through the rough waters smoothly to achieve the goal. Global business is becoming uncertain owing to blurring cultural, language, lattice, social and economic boundaries. The leaders should take up this challenge with a lynx eyed approach by encouraging continuous learning and thereby, modernizing the minds of the people- the led and the followers. In this context, to quote Jack Welch(2001), " When the rate of change on the outside exceeds the rate of change on the inside, the end is in sight. " Leaders today do not lack intelligence, but inquisitiveness.

It helps them to increase their global savvy, enhance their ability to understand people and maintain integrity, and augment their capacity for dealing with uncertainty and managing tension. Challenge of integrity in the business context is another big issue that leaders of the global era would face. This refers to ethical behavior and loyalty to the company's agreed-on values and strategy. Globalization would continue to highlight conflicts among various national standards of behavior. These differences in standards often pose serious ethical issues and business dilemmas for companies.

For example, while working overseas, both personal and company ethical standards are prone to compromise. Therefore, in order to appeal to the local values and demands, managers may be inclined to change themselves and the organization. This is a myopic approach that needs to be discouraged. Therefore, leaders, in the long run, need to consistently maintain high ethical standards not only at their personal level, but at the organizational level as well. Global skills leading with goodwill will also become an important requirement for global leaders to operate in a culturally diverse workplace.

The challenge would be not what degree you hold from famous business schools, but what ability you have to connect with the employees. Without the ability to connect with employees, cultural diversity becomes an obstacle to leadership. Thus, emotional unexpectedness as a skill will be the passport for global leaders to hitch high into the sky in a globally turbulent environment. 5 Having a global attitude is of utmost importance for global leaders. The ability to imitate local styles is not the same as having a global attitude. It is equally important for managers to be themselves.

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At the heart of a global attitude is being yourself while also showing interest and openness. That will enable a leader to accept good ideas no matter where they come from. Plus it will help him to get rid of biases and stereotypes. One of the most salient qualities of an effective global leader is that he or she should be free of stereotypes. Usually, stereotyping in organizations is subtle. Manager-leaders often pick up the impression that the Chinese are good at certain things, the Germans are good at certain other things and so on.

However, they must understand that in every country, people basically want to do a good job. What they need is the right kind of training in order to perform a world-class job. But at the same time, it is also true that there is a need to train employees differently in different parts of the world. Leading a global company involves understanding of the political and regulatory environment of different countries. It is necessary to stay in constant contact with senior government officials, addressing issues like tax holidays and other regulatory policies. Change (Handyman's), has always been a much discussed issue in management.

However, it assumes greater importance today mainly due to its pace and scope that increase with the all pervasive globalization. Change today is constant. There is no stopping it and leaders cannot afford to stand still. Change has a powerful force on leadership, which must be strong enough to take organizations smoothly through the constant state of transition. The lack of ability for employees to find equilibrium among this barrage of constant change wreaks havoc in organizations. Discomfort leads to resistance and

denial. Resistance and denial lead to distrust of management and reduced levels of satisfaction.

Dissatisfaction is denominational, and it results in decreased productivity and decreased levels of performance. The leadership imperative is especially strong in this era of constant change and transition. There are leadership behaviors that make a difference in providing employees with an increased sense of comfort and stability. The leader should enable the organization to become adept at shifting resources to meet changing environmental influences. Regardless of the size, it should operate as a small company, without bureaucracy. Secondly, speed wins in business today.

Jack Welch(2001 former CEO of General Electric also placed great emphasis on speed. The leader should ensure that organization is able to move fast to respond to new market demands. Multiple layers of management should not impede its ability to make quick decisions and slow it down. Information and resources should flow expeditiously to the appropriate locations to enable sat response to problems and opportunities. Thirdly, the leader should foster an environment that supports risk taking and rewards innovation. In addition to continuous improvement, there should also be a focus on new product development and process advances.

Fourthly, there should be a pervasive leadership style that focuses on human resource development. The organization should realize that if it were to accomplish its objectives, it would need people who never stop learning and enhancing their skills. The company should support a comprehensive portfolio of learning activities and job rotations to help each associate fully

develop his or her talents. The leader should build the company's activities around performance. Success in the marketplace should be the associates' best assurance of job security. All employees should be accountable to produce to their fullest potential.

Winning should be concentrated fully on external competition rather than on internal battles fighting for resources and recognition. Along with a focus on performance, the organization should incorporate a strong set of values to provide stability and consistency for all associates while they operate in a highly dynamic business environment. Hitting the numbers would be sufficient for reward and promotion. Managers and executives would have to "live the values", as well as achieve results, in order to be recognized for their overall contributions.

To quote Jack Welch(2001), " People are removed for having the wrong values. We don't even talk about the numbers. " Leaders should make this more reality than ideal by using it as their organizational vision for the part of the company that is within their sphere of influence. They have to find ways to build a culture in their corner of the organization that is more flexible, empowered, development- focused, innovative, and learning-oriented. And it is certainly better to operate under a strong set of values with which everyone can identify as the unit focuses on performance. An important need for present and future leaders is that of managing cross cultural workforce. Such a leader must be open in its communication with the employees of every community and culture. Leadership in the emerging global civilization will involve developing three major management capabilities- a global civilization mindset, global business literacy and global <https://assignbuster.com/globalization-the-leadership-challenge-assignment/>

cross-cultural competencies. The leader has to nurture the culture of the organization like that of a garden where variety of flowers and plants grow together given the right kind of exposure, light and temperature.

The garden can be developed only according to the soil and environment of the place. In an organization also the leader needs to grow a garden with different varieties of flora and fauna and nurture the employees likewise inculcating the values. Conclusion To summarize, the present trends indicate that if a firm expects to survive and grow in the global marketplace, its leaders must: 1. Learn to operate in multiple cultures. 2. Learn to access capital, human resources and materials from the best sources cross the globe. 3. Learn to manage a very high diversity within and outside the organization 4.

Understand all important factors and trends that will impact business in the year ahead, including technology, new organizational approaches and the political and economic conditions everywhere. 5. Learn to be more innovative and inquisitive 6. Recruit and retain the right talent from across the globe. 7. Understand markets and customers everywhere, including opportunities, risks and obstacles they face now and in the future.

Notwithstanding, the key to succeed in the globalized world is to strike a balance between fierce competition and sensitivity to the needs of customers.

Instead of focusing on outperforming each other, companies must realize the value of the dictum "Customer is king". The leader's job is to inculcate customer-centric values in the organization, while 8 managing competition.

The leader should first demonstrate himself as a role model for the

employees of the organization. A strong focus on satisfying the customer is what will ultimately set the truly global organization apart from the rest. This is exemplified by the following incident that took place in Japan: “ I was waiting for my taxi outside my hotel in Japan.

I was getting late. It was SAM in the morning and my flight was at 7. MA'AM. Outside it was drizzling. And not a single taxi was seen on the road. My heart was pounding faster on every minute I was delayed. It was unbecoming on the part of JUST Pan Taxi Service). No body was picking up the phone. I left the message that am leaving, call me on my cell phone. I started walking on the road to hitch hike up to the airport. I was completely drenched.