



Developing the Next Generation of Global Leaders

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Introduction

Globalization and advances in technology have led to an increase in boundary-spanning activities and the prevalence of multicultural teams in the workplace. Even companies that focus primarily on domestic markets are likely to be linked with suppliers and customers in other geographies. A recent employee survey across 90 countries found that “89% of white-collar workers ‘at least occasionally’ complete projects in global virtual teams” (Taras et al., 2021). Steers and Osland (2019) identified three notable trends in global business: shifts from “intermittent to continual change, from isolation to increasing interconnectedness, and from biculturalism to multiculturalism” (p.5). These changes herald an increasing demand for culturally competent and flexible leaders to manage diverse teams successfully. In another survey of 15,787 leaders around the world, global CEOs cited the development of the next generation of leaders as a top challenge (Development Dimensions International Ltd., 2021). The workplace is increasingly global. Therefore, it is imperative to gain a better understanding of how to develop our existing and future global leaders.

The purpose of this white paper is to highlight background regarding the development of cultural competence and present findings from recent research with experienced expatriate managers and to offer some practical tips and suggestions for coaches, consultants, leaders, and HR professionals.

Background

The “Double-Edged Sword” of Multicultural Teams

In their meta-analysis of cultural diversity in teams, Stahl et al. (2010) noted that diversity could be both a source of conflict on the one hand or the basis for synergy and learning on the other. Moreover, the findings on diverse teams were sometimes confusing and seemingly contradictory. Since then, there has been a significant amount of research into contextual factors, moderators, and mediators of team effectiveness within multicultural teams (Stahl & Maznevski, 2021). On the positive side, diversity in teams has been linked to greater creativity (although this can vary with task complexity and whether the team is collocated or virtual). However, effectiveness and collaboration can be hindered by differences in time zones, language, skill level, access to technology, or economic conditions. Different types of diversity might have varying effects on teams. Taras et al. (2021) looked at both personal and contextual differences in diverse teams and found that differences in easily observable personal characteristics such as language, skills, gender, age, and values were associated with less enjoyment, reduced trust, and more infrequent communication within the team. The relationship between diversity and performance or effectiveness is not necessarily straightforward. Consequently, the ability to manage such teams requires a greater level of flexibility and adaptability of the leader than might be required with a homogeneous team.

What Is Needed of Global Leaders?

In the face of growing complexity, constant change, ambiguity, increased boundary spanning, and multiculturalism, today’s business leaders need to adapt and learn quickly (Steers & Osland, 2019; Tung, 2016).

Leaders need to manage both task and relationship processes (Homan et al., 2020) and frequently act as bridge makers or multicultural brokers within their teams (Eisenberg & Mattarelli, 2017). There is no one-size-fits-all approach in global leadership.

Although research on cross-cultural competence has been spread across disciplines and encompasses several different approaches, most theories and approaches touch on a mix of cognitive, self-regulatory, social, and behavioral competencies (Andresen & Bergdolt, 2017). Bird (2018) condensed leadership competencies into three main areas: organizational and business acumen, managing people and relationships, and managing self. Steers and Osland (2019) maintained that global leaders need a worldview or global mindset to be successful. It is not enough to understand cultural differences; one must also be able to navigate through them and work with people from all over the world to achieve corporate objectives. Leaders need high levels of cognitive flexibility, self-efficacy, and a well-developed ability to manage successful interactions with multiple different cultures.



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One construct that has become popular as a measure of cultural competence in recent years is cultural intelligence or CQ (Earley & Ang, 2003). Cultural intelligence concerns the ability to adapt successfully to new cultural settings. It comprises four facets of cognitive, metacognitive, motivational, and behavioral cultural intelligence and is seen as a malleable construct able to be developed over time (Ng, et al., 2012). CQ has been shown to predict adjustment to unfamiliar cultures, an individual’s energy, stamina, and productivity when working across borders. Cultural intelligence has been linked to greater judgment and decision making, intercultural negotiation skills, and the crucial ability to see multiple perspectives (Livermore & Van Dyne, 2015).

If cultural competence can be learned, it is important to understand how this development can be facilitated (Cumberland et al., 2016). As will be outlined, cultural competence appears to be developed over time through experience. According to Steers and Osland (2019), “The challenges [...] are more successfully met by hard work, critical analysis, serious reflection, and attentive behavior than any of the readily available quick fixes” (p. 22).

Developing Cultural Competence

Role of Experience

Although some factual knowledge about different cultures is helpful, much of the knowledge required to operate in this environment is tacit, influenced by culture, personality, and previous experiences. Consequently, the importance of experience has become evident in leadership development (McCall, 2010), and Kolb’s experiential learning theory (1984) has emerged as one of the main development theories used to explain cross-cultural learning.

Experience alone is insufficient for learning. The quality of the experience in conjunction with an individual’s motivation to learn and engage with others, and their capacity for reflection and metacognitive ability will influence the degree to which they extract lessons from any cross-cultural encounter



Exposure to other cultures is a primary source of learning, but all experiences might not be equal. The quality of a cross-cultural experience can influence the impact on learning. Dragoni et al., (2014) looked at how experience was related to strategic thinking and cognitive flexibility among 585 senior global managers. Working in a multinational team alone was not significantly related to greater strategic thinking competency. However, international assignments, managing multinational business operations, and experiences of building relationships with those from other cultures were significantly and positively associated with the outcome measures. Novelty or encountering of paradoxical situations and contrasts with home culture may enhance learning by creating more need for reappraisal (Caligiuri et al., 2019). Likewise, engagement in cultural trigger events may also be linked to greater learning in cross-cultural situations (Reichard et al., 2015).

Although immersion and global assignments are often seen as the best way to gain experience (Cumberland et al., 2016), it is also possible to develop competence through well-designed experiences even without travel. Kurpis and Hunter (2017) devised a student learning project of cross-cultural interviews between home and international students. The students showed increased self-efficacy, perceptions of competence, and motivation to engage with people from other cultures. It is possible to learn through observing others and engaging in cross-cultural exercises, particularly when the individual is open and curious and spends time in reflection.

Role of Social Interaction

In addition to experience and exposure, learning can come through interaction with others. Presbitero and Toledano (2018) discovered that improvements in cultural intelligence during training were moderated by the intensity of the contact with other members of a diverse team. In a study of expatriates working abroad over 12 months, Fee et al., (2013)

found that those who had had the most contact with host-country nationals showed the greatest increase in cognitive complexity. Through social interactions, people can practice skills, learn through trial and error, and be exposed to different ways of thinking that can facilitate shifts in mental schema and increase cognitive flexibility.

Role of Cognition, Metacognition, and Reflection

Metacognition and reflection are needed to cement learning from experience and develop the required sophisticated cultural sense-making abilities and flexibility in thinking and behavior. According to Van der Horst and Albertyn (2018), individuals with higher metacognitive abilities will more likely reflect on experiences and revise their mental schema.

Experience alone is insufficient for learning. The quality of the experience in conjunction with an individual’s motivation to learn and engage with others, and their capacity for reflection and metacognitive ability will influence the degree to which they extract lessons from any cross-cultural encounter and develop key competencies (Matsuo, 2015).

Perspectives From Experienced Expatriate Managers of Multicultural Teams

Expatriate managers have long been at the forefront of international and global business. In the United Arab Emirates, over 85% of the population comprises expatriates from over 200 different countries, and multicultural teams are the norm in businesses. This presented an ideal environment to learn from seasoned leaders of very diverse teams through a qualitative doctoral dissertation study. Twelve senior managers (six female, six male), collectively having spent over 200 years working and living as expatriates, were asked about their experiences of learning to lead multicultural teams. The managers represented different nationalities (British, German, Eastern European, Egyptian, Indian, New Zealander, South African, and Turkish) and led multicultural teams across a range of industries. Six key themes emerged from the interviews.

1. Challenge

- Leading multicultural teams is challenging but interesting and rewarding.
- Differences in communication style can cause issues (especially direct vs. indirect communication styles).
- A one-size-fits-all approach to management is not possible.
- Sensitivity in language and behavior is necessary to avoid offending people from other cultures.
- Groups can form within teams (sometimes due to the comfort of familiarity or freedom to speak in their native language).

2. Stereotypes

- Individuals naturally draw on assumptions and stereotypes to help navigate complexity, even though stereotypes were recognized as potentially inaccurate.
- Sometimes it is difficult to disentangle the influence of personality and nationality.
- It is important to avoid assumptions based on nationality.

3. Culture creation

- Organizations need to build an open culture to encourage sharing, discussion, and social interaction between teams and individuals, and promote shared values.
- Mobility within the organization and the provision of culturally appropriate events can help bring people together.
- Culture can be built at the team level but ideally should come from the top.

4. Attitude and behavior

- Leaders need to be flexible, adaptable, and open to different viewpoints and ways of working.
- Leaders sometimes need to play the role of negotiator or broker within the team.
- Individuals need to display openness, curiosity, and genuine interest in other people.
- Asking questions and listening are key skills.
- Tenacity is needed to persevere in an uncertain environment.
- Sensitivity, respect, understanding, and empathy are also key.
- Awareness and reflection were critical to learning and development.

5. Experience and exposure

- Leaders had learned first hand, on the job over time, from exposure to different situations, and through trial and error.
- Mistakes were inevitable but prompted reflection and learning.
- Feedback was an instrument for raising awareness.
- Although explicit knowledge about cultures is helpful, real learning comes from engaging in situations, making mistakes, and reflecting on them.

6. Learning through others

- Observing and listening were key.
- Learning can come from bosses, mentors, the team, family, and friends.
- Sharing knowledge and stories within the team offers a way to learn from each other.
- People within the business and team can act as cultural guides.
- Reflection and learning frequently came through discussion.
- Building trusted relationships and networks are central to success.

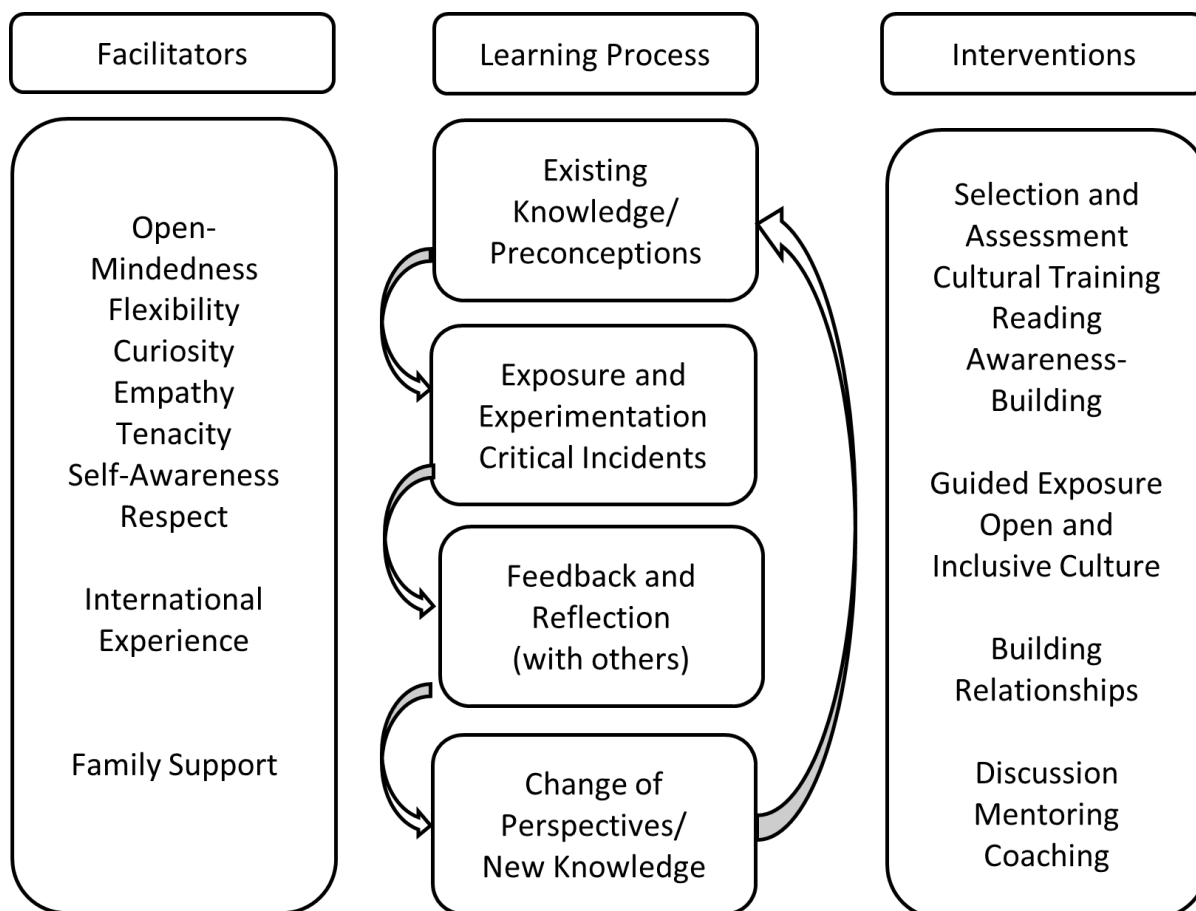
Participant Comments

“The more flexible you become, the more appreciation that you develop that there is life outside your own life, views outside your own views.”

“I think exposure is the right way to learn these. You observe. You discuss. Sometimes you make errors and say, ‘That didn’t go really well.’ I don’t think these can be really learned on your own, theoretically, reading the books, or watching YouTube.”

“You’re never going to learn on your own. It is very much about using the local knowledge and using the knowledge of the team, and if you’ve not got the knowledge on the team, looking for extended teams or friendships.”

Figure 1. Summary of developmental process, facilitators, and possible interventions



Implications for Practice

Selection and Assessment

When selecting individuals to participate in or lead global or multicultural teams, it is important to consider traits and soft skills in addition to technical competence. Those with higher motivation to engage and be open are more likely to persevere through the challenges that can accompany intercultural working. There is a range of assessments that can be useful depending on the situation and what the company is looking for (Cumberland et al., 2016; Livermore & Van Dyne, 2015; Matsumoto & Hwang, 2013). In addition, assessment centers and situational judgment tests might afford insight into a potential leader’s ability to adapt and make decisions in complex environments (Cumberland et al., 2016). Family support for expatriate assignments is still important.

Training

Didactic cultural training and individual reading can help build explicit knowledge of ways of doing business and customs. Training on cultural values can help, but without the shift in mindset and behavior, this knowledge alone can reinforce stereotyping (Livermore & Van Dyne, 2015). Group workshops can illuminate different perspectives within a team, and exercises like cultural value mapping can help people to recognize and leverage differences. Experiential training exercises that encourage interaction, experimentation, or scenario assessments can provide opportunities for low-risk experimentation (Van der Laken et al., 2016).

Experience and On the Job Learning

Real learning comes through exposure to different situations and encounters that provide the opportunity to practice behaviors and gain feedback. Even short-term experiences have been shown to improve cultural intelligence (Caligiuri et al., 2019). This can be done through purposely mixing people on teams or through arranging opportunities to meet either socially or in a business capacity. Talent managers could plan to provide high contact and immersion type experiences for their global leaders and team members.

Culture Creation and Relationship Building

Organizations can foster development through embedding a culture of openness. Companies can explore different ways for people from different cultures to meet and work together and facilitate network and relationship building. Assigning cultural “buddies” or mentors can be helpful.



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For remote teams, it is important to keep people connected and consider the different ways of building trust across cultures. Consideration of different channels of communication for different needs can be helpful, such as complimenting email with What's App or Telegram groups for more immediate and less formal communication. Promoting discussion within the team or broader organization can help the whole team to learn more about each other and their culturally diverse customers.

Awareness Building and Reflection

Individual development plans and coaching or ongoing training can build awareness and aid reflection (Cumberland et al., 2016). Coaching can allow individuals to reflect on experiences and formulate new strategies to use in the future through providing a confidential safe space to explore attitudes freely.

This recent study and previous research suggest that being open, practicing active reflection, building self-awareness, soliciting feedback on behavior, and building a good network of trusted relationships with people of different cultures could all contribute to learning and development (Yamazaki & Kayes, 2004). By embracing new situations with respect, openness, and curiosity; being willing to experiment; observing other role models; and reflecting on novel or critical incidents; individuals can increase their self-efficacy in cross-cultural situations. Global leaders can build cultural intelligence, shift to a less ethnocentric and more global mindset, and develop the greater cognitive and metacognitive flexibility needed for these complex and demanding roles (Fee et al., 2013; Presbitero & Toledano, 2018).

Next Steps

Globalization, technology, and increased mobility continue to fuel the demand for leaders, managers, and team members who are comfortable and competent working in an increasingly diverse and multicultural workplace. Although more is now understood about competencies, skills, traits, and behaviors that are important, there is still more to be learned about how these competencies are developed. Continued research is needed with working populations in more (non-western) geographies (Nam et al., 2014). Further exploration of the effectiveness of different developmental experiences could help indicate the most beneficial assignments for future global leaders. To complement the existing quantitative studies that have in recent years demonstrated relationships between experiences and different cultural competence outcomes, case studies looking at multicultural team learning or examining the effect of coaching interventions (e.g., Vandaveer, 2012) could help to build the practical know-how of learning and development in the workplace.

Further exploration of the effectiveness of different developmental experiences could help indicate the most beneficial assignments for future global leaders.

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