

# **Global Leadership in a Culturally Diverse World**

by

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### Abstract

The acceleration of globalization has created a chaotic state of change as businesses struggle to adapt to new paradigms of leadership. The established tried and tested approaches may no longer be effective in a global context. Globalization demands new approaches and the challenge is to find the appropriate leadership imperatives in response to the changing problems of existence. This article addresses the research question: What new skills should be adopted by business leaders to empower them to deal with these new multicultural challenges occurring during globalization. The relationship between follower and leader is critical during these transitional phases.

A model is introduced that integrates psycho-social elements of leadership and organizational effectiveness, such as conditioning, power, duty, dependence, and ethics. The model then provides a basis for developing appropriate leadership practices that support and enhance corporate culture. The development of values within the organization, that is to say its culture, can be plotted, as it progresses through the identifiable value stations, governed by an essential stepwise progression. Leadership effectiveness demands the pre-emption of subsequent steps and facilitation of followers' ability to adapt. These imperatives have given rise to the formulation of a values-based leadership algorithm (VBLA).

# Global Leadership in a Culturally Diverse World

## Introduction

Cultural diversity affects the way leaders go about defining their roles as leaders and applying themselves to the responsibilities of leadership. Business has until now been contextualised within a particular set of values based on particular world views. The acceleration of globalization has created a chaotic state of change as businesses struggle to adapt to new paradigms of leadership, in which the established tried and tested approaches may no longer be effective. Evidence of this 'chaos' is to be seen in, for example, the US company who relocates its manufacturing to Mexico and has to deal with Mexican cultural norms in the workplace, the European company that sources parts from China and has to negotiate Chinese style, the large multi-national company employing a culturally diverse workforce, where clashes of values may frequently adversely affect productivity, and the small entrepreneurial or family business, where the owner-manager is expected to acknowledge and contribute to global concerns or causes such as reducing green-house gas emissions and recycling of waste water and other materials. These issues and others like them add to the challenge of leadership in ways that cannot appropriately be tackled by doing 'more of the same'. Instead, they demand new approaches and hence usher in new leadership imperatives in response to the changing problems of existence.

The research problem is that there appears to be a need to adapt one's leadership perspective to be effective in culturally-diverse situations. Hence, the research question becomes – what new skills should be adopted by business leaders so that they are equipped to deal with these new multicultural challenges occurring during globalization. This paper takes as its basis the 'Personal and Corporate Values Journey' chart (Robinson, 1998), which is derived from the early work of Don Beck and Christopher Cowan (1983) of the National Values Center, Texas, U.S.A, and

follows after Graves' seminal, though never published, 'Emergent Cyclical Double Helix Model of Adult Bio-Psycho-Social Behaviour' (circa 1970). [Clare Graves was Professor Emeritus of Psychology at New York University]. Creative tensions result in synergies that are conducive to and characteristic of various leadership paradigms, which may be plotted at specific points on the Values Journey Chart.

Each of the paradigms introduced above is the result of an attempt to adjust to changed problems of existence in two competing, yet complementary dimensions. Thus the X axis indicates the degree of adaptation toward responsible citizenship and the Y axis the degree of autonomy. The model integrates psycho-social elements, such as conditioning, power, duty, dependence-independence-interdependence, ethics and holism, such that each of four leadership paradigms may be seen in terms of the values that define the followers and consequently also the leadership processes that each demands. The model also then provides a basis for developing appropriate leadership practices that support and enhance corporate culture. (Robinson, Goleby and Hosgood, 2007)

### **Literature Review**

Leadership practices adopted by business leaders within organizations arise from the application of their personal values (Robinson, Goleby and Hosgood, 2007). Three layers of values relevant to leadership have been identified, the most basic of which are moral and behavioural (surface) values, followed by commitment to quality and life-long learning (hidden), and finally the cognitive values (deep). Surface values bind, and in some instances segregate, an organisation, while hidden values include the ideologies that drive the organisation (Mintzberg, Lampel, Quinn and Ghoshal, 2003), thereby affecting attitudes and activities of personnel at all levels, a commitment towards life-long learning exists, or the level of commitment towards quality and service. It is within the third values layer, deep values, that individual and organisational behavioural systems emerge (Cowan and Todorovic, 2000:2).

Additionally, psychology has provided various theoretical models that explain personal development, specifically: Beck and Cowan (1995), Maslow (1954), Kohlberg (1958), McClelland (1961), Covey (1990), Egan (1997), Piaget (1965) and Alderfer (1969), Rotter (1996) as listed below:

- 1.) In 1995, Beck & Cowan developed a continual growth model using value stations (building on Graves' 1970 theory on levels of human existence). This forms the foundation of Robinson's (1998) Personal and Corporate Values Journey Chart.
- 2.) The classic motivation theory, Maslow's (1954) Hierarchy of Needs, illustrates a seminal five step personal development path starting from the essential physiological needs to the pinnacle of self-actualization. Robinson's chart is not an alternative to Maslow's Hierarchy; indeed it implies that such a hierarchy of needs exists *within* each of the identified value stations.
- 3.) Kohlberg's (1958) Stages of Moral Development dovetail perfectly with the value stations of the chart. Kohlberg's stages 1& 2 equate to the submissive (purple) and egocentric (red) stations of the Values Journey, where people have to learn the rules of society to advance; his stages three and four equate to duty-compliance (blue) where rules are enforced for long-term stability and safety; and his stage five is equivalent to the success-striving (orange) station of the Values Journey. The sixth stage looks at the 'big picture' requiring a substantially more relativistic worldview, thus approximating the harmony-seeking (green) and synergy-seeking (yellow) stations of Robinson's (1998) values chart. Kohlberg's phases also allude to the notion of 'leaps in understanding' as one develops. These are included in the Values Journey chart, represented by the two divides, namely ethical and holistic, representing second order change or paradigm shifts in understanding and coping.
- 4.) Similarly, early cognitive development work by Piaget (1965) likewise supports the levels of thinking.
- 5.) Egan's (1997) work on natural mind development follows a similar linear approach to cognitive growth, which supports the axis of rational conduct. These theories contain common elements, as portrayed in Figure 1.

**\*\*\*\*\*Insert Figure 1 about Here\*\*\*\*\***

The Values Journey chart (Robinson, 1998), shown in Figure 2, integrates these psychology theories and interlinks them, within the framework of responsible

citizenship and autonomy, previously mentioned. Additionally, the inclusion of a diagonal divide matches Rotter's (1996) locus of control distinction, thus differentiating between the expressive and the submissive. This is known as the dependency ravine. The chart also includes Covey's (1990) three stages of personal development, namely dependency, independency, and interdependency.

Alderfer (1969) recognised that humans may simultaneously have, and indeed move between, successive need levels. He also realised that people create reinforcing behaviours (habits), which may 'lock them in' to a particular station, but that they might regress to a previously inhabited station, if frustrated – a phenomenon also referred to by Beck and Cowan (1995). Kofman & Senge (1993) - the systems thinkers, suggest that innate tendencies toward 'quick-fixes' blinds some leaders, that is to say that by looking with immediacy at current situations, humans may neglect the larger worldview. This explains why many leadership dilemmas are concerned with the conflict arising between issues of sustainability and expediency (Robinson, 2007).

Founders of emerging organisations are required to apply leadership by creating the vision and defining goals, so as to inspire personnel to work toward specific outcomes (Baum, J., Locke, E. and Kirkpatrick, S., 1998; Kirkpatrick, S., Wofford, J. and Baum, J., 2002). This most basic leadership requirement demands that they themselves are in touch with their world-view, that they are able to articulate goals and willing to lead others by adopting appropriate leadership practices.

### **The Values Chart**

Six value stations may be plotted (see Figure 2). These refer to the propensity of individuals to mature along two planes, concurrently. Along the Y axis, individuals develop in their capacity for autonomy or personal freedom, while along the X axis, capacity for rational and considerate conduct increases. Though optimal development would be in both directions simultaneously, it is practically impossible to accomplish, so what emerges is a step-wise journey where development occurs intermittently, first along one, then the other axis. Six values stations, colour-coded for ease of identification, are depicted on the chart in Figure 2. Step-wise progress is marked by a degree of turbulence and uncertainty during the transition from one

value station to the next. (Cowan and Todorovic, 2000; Beck and Cowan, 1996), as advancement is usually pre-empted by changes in the problems of existence (see Figure 2).

**\*\*\*\*\*Insert Figure 2 about Here\*\*\*\*\***

At the most basic level (bottom left, purple), individuals possess low levels of responsible citizenship and lack autonomy, thus seeking safe-bonding. Naturally, the leadership priorities at this level are survival and care oriented.

Across the dependency ravine, exists the power-seeking, 'dog eat dog' type culture (top left, red), typified by egocentric aggression. Residents of this values station enjoy a higher level of autonomy (Y axis), yet have not advanced along the X axis. They will commonly exhibit a high need for power, as first identified by McClelland (1961) and the leadership imperative here is to lead by example and show strength of character.

One step to the right is where social *mores* begin to emerge (middle bottom, blue). Residents of this value station are duty-compliant and it is not uncommon for them to display absolute respect for procedure and authority. Leadership at this level entails formal and centralised control and is thus authoritarian and procedural.

The next value station, a step in the direction of increased autonomy, is characterised by the intense drive for success, usually manifesting as materialism and affluence (middle top, orange). Residents display a high need for achievement (after McClelland, 1961). It demands a corresponding leadership style, i.e. goal-directed leadership.

More systemic thinking emerges beyond the holism divide, where peace and harmony are the ideals sought (bottom right, green). Residents display a high need for affiliation (after McClelland, 1961) and this tends to generate accommodative behaviour in followers. Leaders are therefore expected to play a facilitative role.

Finally the sixth and ultimate value station represents inter-dependency (top right, yellow). Here, leadership is about recognising and harnessing individual strengths, at whatever level of development or station, and requires the ability to integrate and forge synergies.

## **Progress and Transition**

Progress along the values journey is the result of accumulated experience and knowledge, and movement is intended 'in the direction of greater complexity' (Beck and Cowan, 1996:62), with a resultant "creative tension" (Senge, 1990:9). Followers may inhibit the transition between value states through maladaptive or destructive patterns of behaviour (Beck and Cowan, 1996:61), so that it is possible for whole companies to regress, rather than advance. Some individuals have limited mobility and/or begin the journey with a predisposed bias, due to conditioning, as indicated below the X axis in the Figure 2.

The relationship between follower and leader is critical during these transitional phases. Badaracco and Ellsworth (1989) inform that leaders must be careful to espouse values that followers are able to identify with. The responsibility of the leadership role is essentially to keep the company moving ever-forward by adjusting pre-emptively in accordance with what is required to satisfy both expediency and sustainability problems of existence. Correspondingly, leaders need to invoke a sense of purpose, through a vision that energises and motivates followers towards the future (Bennis and Nanus, 1985:80). For this reason, it is advisable for leaders to be at least one half station ahead of their followers, in order to effectively guide them along.

Consider, for example, the transition from 'duty-compliant' to 'success-striving'. Initially, duty, rules and authority takes precedence over personal goals. The deep values surrounding self-sacrifice and obedience to rightful authority hold sway. As the (constantly evolving) conditions of existence change, a certain dissonance may develop, sparking questions surrounding 'proper authority' (Beck and Cowan, 1996:238). These may present the first seeds of change. The first recourse is usually more of the same, but if that fails to satisfy the new needs for autonomy, then a yearning for independence takes priority and the need for achievement takes centre stage (Cowan and Todorovic, 2000). A paradigm shift has occurred. Senge (1990) associates paradigm shift with healthy transition when leaders and organisations learn to make use of the creative tensions to adopt adaptive and ultimately generative learning behaviours. There is the notion of 'steps within the step', in the

example of the individual transitioning between duty-compliant and success-striving, as outlined below:

- 1.) The realisation that strong attraction to the 'musts' and 'oughts' dictated by authorities is limiting to personal development.
- 2.) Realising there may be more than one right way - (not so sure what is absolutely right - perhaps there are many ways, but there may still be 'one best way').
- 3.) Becoming frustrated by the rules, with a corresponding desire for more autonomy.
- 4.) Wanting to see some fruits of your success (in this lifetime).
- 5.) Wants to be seen as successful (not just as hard-working).
- 6.) Argumentative toward authority.
- 7.) Feelings of self-sufficiency or being larger than life.
- 8.) Accepting of some multiplicity, justifying the 'bending' of rules in the name of 'expediency'.
- 9.) A new willingness to indulge in calculated risk-taking.

The development of values within the organization, that is to say its culture, can be plotted, as it is possible to track the development of a firms maturing process as it progresses through the identifiable value stations. The journey is governed by the essential stepwise progression, i.e. from Submissive-purple to Ego-centric-red to Duty-compliant-blue to Success-striving orange to Harmony-seeking-green and finally to Synergy-seeking-yellow, as illustrated in Figure 3. Because each step builds on the previous, to leave out any step is to create a vacuum that will require regression before correction, because at each step the two preceding value stations together form the foundation for the next. Thus, both ego-centric-red and duty-compliant-blue together, in equal measure, form the appropriate foundations for success-striving orange. Similarly, both Orange and Green are needed as the building blocks of synergy-seeking-yellow. Whereas it may be possible for a person to leap frog Blue and proceed directly from Red to Orange, their residency in Orange would be only temporary and one can accurately predict that such a person will, in the absence of a

Blue base, regress back to Red in a crisis, whereas it would be eminently preferable for such a crisis to be dealt with from Blue. The same applies to organizational culture.

Not every leader will become an effective leader in culturally diverse situations. It is plausible, however, to expect that an organisation should be seeking to develop along the values journey and thus will require leaders who are able to shift paradigms ahead of the critical mass of the organization. Given that the necessity for change exists and that effective leadership demands pre-emption of next steps and facilitation of followers' ability to adapt, the leadership imperative, where cultural diversity has thrust groups of followers together with disparate values, is to be able to effectively create synergies. Table 1 shows how the six values stations expand to six bands, where each band represents the elements associated with organizational culture.

If it is true that company values are evidenced in the way in which authority is delegated (Mintzberg et al, 2003), then it is clear that leadership practices hold the key to organisational culture. Table 1 portrays the six bands of organizational culture. It can be seen that there are distinct differences in the way leadership is approached in each of the bands. For example, the authoritarian leader instructs and expects conformity, thus creating a duty-compliant culture that appeals to those with a need for order and stability. Conversely, the entrepreneurial leader appeals to the followers' needs for achievement and affluence by delegating in a success-striving culture, etc.

This aspect of congruency across values bands has led to the formulation of a values-based leadership algorithm (VBLA) (Robinson, Goleby and Hosgood, 2007), consisting of the following axioms:

- 1.) Those possessing internal locus of control will most likely manage externals, therefore it follows that the expressive stations will almost always preside over the submissive, i.e. Red will *dominate* over Purple (provide safety by tough force); Orange will *manage* Blue (use the order and stability provided by blue and delegate while to striving toward entrepreneurial goals); and Yellow will *lead* Green (integrate in a flexible way while creating harmonious conditions).

[It should be noted that the idiosyncratic shades of difference in the three verbs used are relevant.]

- 2.) As the Values Chart depicts, each successive value station represents a step forward in development, therefore persons residing at any station are best led by those already at a higher station, because, having resided there previously, those leaders retain an understanding of the problems of existence being experienced by the followers and are therefore best able to advise and facilitate effective ways of coping and thus meet their motivating needs. Thus, Red (need for independence) is most likely to accept Orange (entrepreneurial) leadership, Orange (need for achievement) is most likely to accept leadership from Yellow (synergistic), Purple (need for safety/security) from Blue (authoritarian) and Blue (need for order/stability) from Green (facilitative).
- 3.) In view of axiom 1, it is ineffective for a submissive station to attempt to lead an expressive, thus Red (tough) should not be managed by or from Blue (authoritarian) and Orange (entrepreneurial) should not be managed by or from Green (facilitative).
- 4.) Unhealthy leadership occurs when the leader regresses and the regression is to a station behind that of the followers, e.g. An Orange-styled (entrepreneurial) leader of Blue (duty-compliant) team members who, under extreme pressures, regresses to Red (tough/force) creates an untenable situation in view of axiom 2.

These axioms are combined in the algorithm depicted graphically in Figure 3, which illustrates whom can lead who, effectively (See Figure 3)

**\*\*\*\*\*Insert Figure Three about Here\*\*\*\*\***

It can be seen in Figure 3 that each of the three upper (expressive) value stations can provide leadership to people residing in the same or prior stations (both upper and lower), while each of the three lower (submissive) value stations are only able to provide leadership to their respective prior lower station.

## Implications

The implications for a global organizations in a culturally diverse world, given the goal of effective and ethical leadership at all levels, are represented by a step-by-step management decision process illustrated in Figure 4. Each of the boxes is explained below:

### I. Development of a Corporate Vision

There must be a clearly articulated vision for the overall organization, which is consistent and congruent with the highest appropriate identifiable value station. It is thus incumbent on the designated organizational leadership to include appropriate references to organizational development and culture in their future vision and to communicate these effectively at the most senior levels and throughout the whole organization.

### II. Assessment of how the Organization Adheres to that Vision

The organization needs to carefully take stock of how it currently measures up to that vision. Distinct business units, regional centres, plants or even departments may measure up differently. An organizational culture audit may be needed to determine how great the gap is between current and envisaged best practice. The most important aspect is that the vision is given pre-eminence above day-to-day issues when matters of organizational leadership are concerned.

### III. Determination of which Paradigms are Most Appropriate for Function, Region

Certain functional areas of the business may by definition need to operate within particular paradigms. For example, one would not expect the thinking paradigm of a quality assurance department in a multi-national pharmaceutical manufacturing corporation to be anything but duty-compliant. Likewise it may be inappropriate for the marketing function to expect rigid adherence to all company policy and every

procedure. Additionally, there will be valid reasons why a company may wish to take regional idiosyncrasies into consideration So there has to be careful consideration of the paradigm best suited to each organizational area in order to best support the vision while not violating any operational conditions.

#### IV. Articulation of Values for Each Relevant Area

- Appropriate organizational values should be developed and articulated for each of the relevant areas, being careful to show how these are needed to both create internal functionality within the area and to integrate with those in related areas, thus contributing to a sense of holism throughout the organization. Where there are hierarchical elements to effective functional or regional operation, the leadership algorithm must be applied to avoid situations where productivity may be constrained by untenable VBLA mismatches arising from hierarchical relationships that simply do not work.

#### V. Education of Managers/Employees on Values Held in the Organization

Managers across all levels and functional areas may require assistance through education/training in order to adjust their respective thinking paradigm and leadership style as needed, which sets the scene for VBLA implementation. Programs should be developed to effect necessary understanding of the necessary changes.

#### VI. Monitoring of Value Performance of Managers/Leaders

Expectations and performance measures within the area for which managers are accountable should be identifiably congruent with the value station that is relevant to that level and function. Leadership effectiveness should be monitored and improved with ongoing reference to VBLA. An important element in all of this is the feedback

loop, which enables the custodians of the organization to continually adjust the degree of emphasis placed on the vision and the values necessary to drive the organization ever-forward toward its fulfilment.

## **Conclusion**

The problem is that we need to adapt our leadership thinking to be effective in culturally-diverse situations. The Personal and Corporate Values Journey (Figure 2) depicts a stepwise progression relevant to company cultures, highlighting six values stations with the help of theories borrowed from applied psychology as well as leadership theory and practice.

To develop the appropriate paradigm befitting effective leadership an understanding of the steps (Figure 2) and the six bands (Table 1) is required. To address the research question – what new skills should be adopted by business leaders so that they are equipped to deal with these new challenges - a leadership algorithm, known as the Values-based Leadership Algorithm (VBLA), consisting of four axioms, is espoused and illustrated in Figure 3. Accordingly, it is concluded that to lead effectively global leaders need to acquire the ability to adopt leadership practices corresponding to the appropriate value station that is most suited to the values of their followers and then ensure congruency across the chosen band. In a culturally diverse world, leaders need to be sensitive to the differing needs among followers and become skilful at assessing which of the values station bands would be most appropriate and then able to adapt their leadership practices accordingly. In essence, the imperative to master integrative and synergizing (top right, yellow) leadership approaches is becoming more and more important. This approach is considered essential to develop the capability within global organizations to satisfy corporate performance expectations while concurrently developing the organizational and collective interpersonal capability to adapt in a world beset by change.

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Figure 1: Commonalities Present in Various Psychology Theories of Human Development

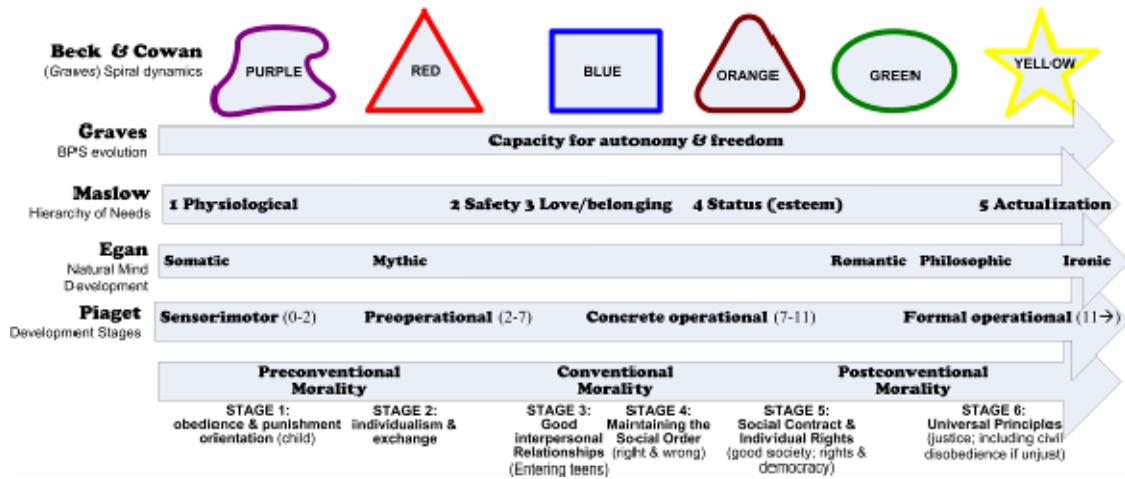
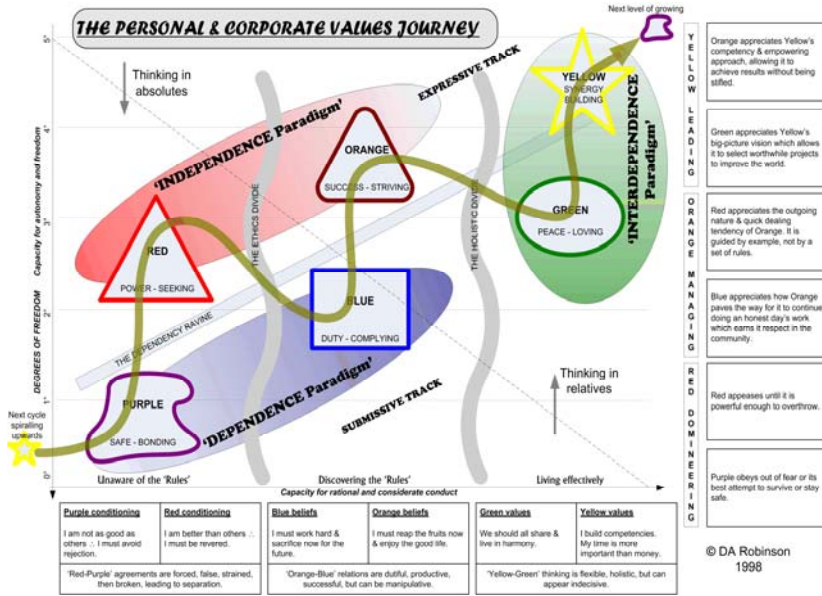
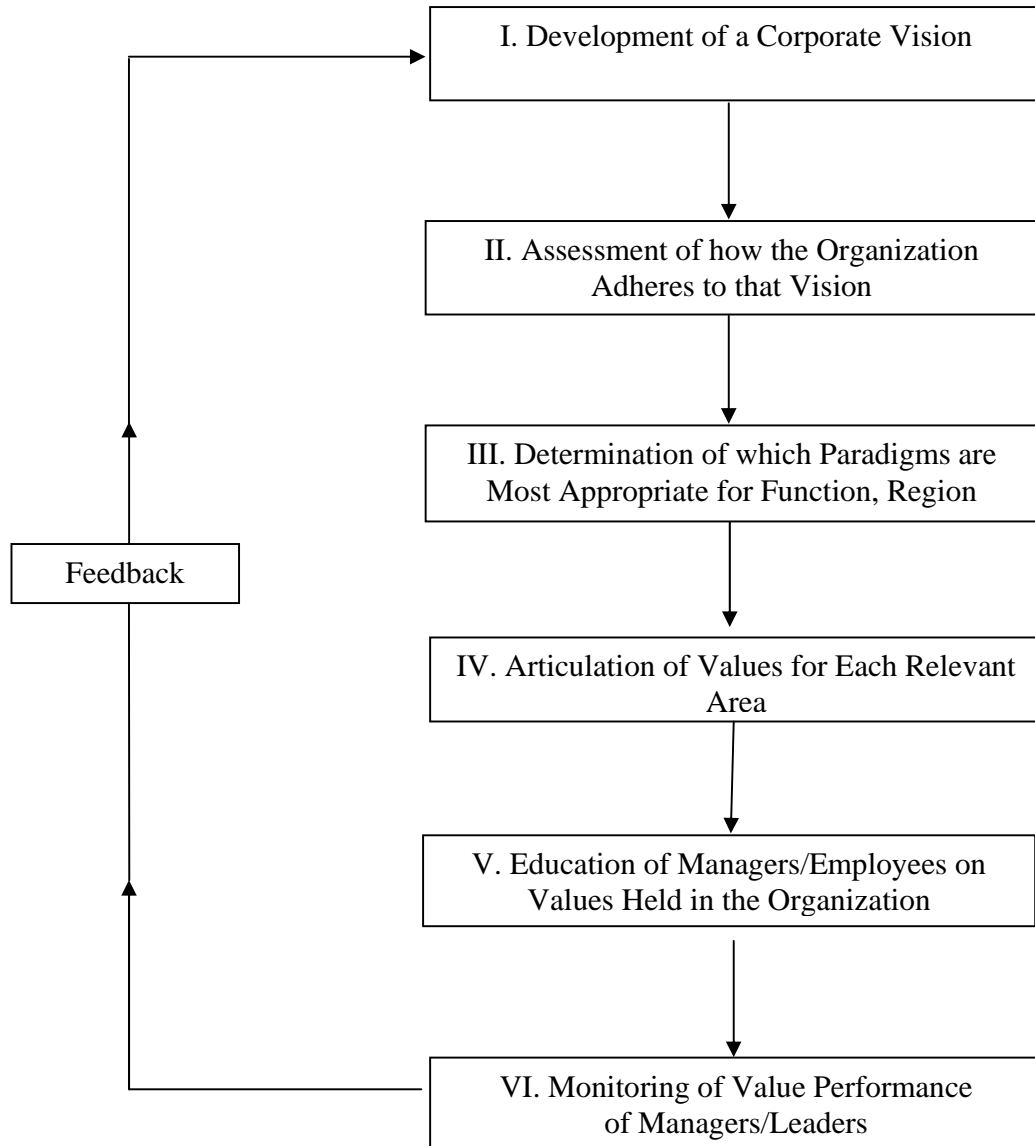


Figure 2: The Personal and Corporate Values Journey Chart



**Figure 4**

**Step-by-Step Management Decision Process for Making Ethical Decisions in Global Organizations**



<i>Leadership paradigm</i>	<i>Typical leadership approach</i>	<i>Positive reinforcement</i>	<i>Appropriate culture</i>	<i>Motivating need</i>
<i>Paternal</i>	<i>Provide safety</i>	<i>Survival</i>	<i>Submissive (purple)</i>	<i>Security</i>
<i>Tough</i>	<i>Force</i>	<i>Self-reliance</i>	<i>Egocentric (red)</i>	<i>Independence</i>
<i>Authoritarian</i>	<i>Instruct</i>	<i>Conformity</i>	<i>Duty-compliant (blue)</i>	<i>Order / stability</i>
<i>Entrepreneurial</i>	<i>Delegate</i>	<i>Affluence</i>	<i>Success-striving (orange)</i>	<i>Achievement</i>
<i>Facilitative</i>	<i>Facilitate</i>	<i>Peace</i>	<i>Harmony-seeking (green)</i>	<i>Sustainability</i>
<i>Synergistic</i>	<i>Integrate</i>	<i>Flexibility</i>	<i>Synergy-seeking (yellow)</i>	<i>Sustainability</i>

**Table 1: The Six Bands**

Figure 3: The Values-Based Leadership Algorithm (VBLA)

