

# **Benchmarking Global Leadership**

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*Many studies identified the universal traits and skills of leadership that should be sought out in a leader in order to best handle and lead organizations in a global setting. By recognizing these leaders and analyzing the best practices that make their organizations successful, one may build upon his or her business strategies and core tenants of global leadership. This paper attempts to define and benchmark the importance of teamwork, conflict management, and organizational diversity essential in the current and future success of global organizations.*

## **INTRODUCTION**

In his book *Cross-Cultural Management*, Thomas (2008) researched the universal traits and skills of leadership that should be sought out in a leader in order to best handle and lead organizations in a global setting because of their universal appeal to those who follow them. By recognizing these leaders and analyzing the best practices that make their organizations successful, one may build upon his or her business strategies and core tenants of global leadership. This paper attempts to define and benchmark the importance of teamwork, conflict management, and organizational diversity essential in the modern and future success of global organizations.

## **LITERATURE REVIEW**

Mendenhall (et.al, 2013) conducted a thorough literature review in his book *Global Leadership*. Additional literature (Flood, 2008) revealed no clear answer for the essential tools, characteristics, and practices that are essential to leading a diverse team. Many characteristics, practices, and skills are necessary for leading a global teams, there is no standard one-size-fits-all. No clearly defined measurement exists for a global team's efficiency and effectiveness. The literature differs in qualifying the value of a diverse team (in terms of efficiency and effectiveness). Instead, the literature points towards agreement in the potential and opportunities for organizations that advocate and practice diversity. Mendenhall's (2013) literature review uncovered the following dimensions of global leadership and competencies: relationship skills, organizing expertise, traits, cognitive, business expertise, & vision. Most empirical works regarding global leadership do not focus on the team aspect but cover the subject indirectly by addressing the global leader's capabilities and characteristics to be effective. A small amount of research examined the relationship between group and dynamics personality (Thomas, 2008). Research is incomplete on what the actual activities of global leaders, and there is limited agreement on the outcomes of global leadership (Mendenhall, 2013). Furthermore, the majority of leadership research is exclusively on men (Mendenhall, 2013). Commonly found values in the literature of cross-cultural teams

include openness, diversity appreciation, and flexibility, which are also included in the core aspect of a global organization (Hofhuis, 2012; Thomas, 2009; Zoogah, 2011; Winkler, 2011; Nederveen-Pieterse, 2013). Diversity was referenced often in explicit or implicit terms as being a *double-edged sword* (Nederveen-Pieterse, 2013, p.782). In other words, diversity can be an inhibitor or accelerator of progress.

In terms of inhibiting progress, as intimated above, in all the sources diversity created innovation, creativity and flexibility in the growing global work environment. Thomas (2008) also described diversity resulting in slower outcomes because of a difficulty in communicating ideas and processes. Another way to illuminate this is less widgets to emerge from the production pipeline. Diverse groups are able to understand and excel in these global environments because they have a broader range of information and experiences at their disposal (Winkler, 2011). However, Hofhuis's (2012) research concluded that diversity was *worth the effort* (p.985). Hofhuis (2012) discovered that by increasing diversity, satisfaction, and collaboration the overall diversity climate improved.

## **LEADERSHIP CHARACTERISTICS**

Many studies conclude self-confident, vision-oriented, and charismatic leaders embody the highest levels of desirability and garner much respect, loyalty, dedication, and commitment from those that follow them. Thomas (2008) noted that the GLOBE study found 22 leadership characteristics (such as fairness, honesty, and motivational) out of 122 were universally desirable and conversely, eight characteristics that were universally undesirable (to include autocratic, irritating, unsociable, and uncooperative). In the study, these had the highest levels of commonality among 62 different societies around the world. The GLOBE study (Chokar, 2012) of 22 universal characteristics is probably the best master list of characteristics for leading a generic global organization (Thomas, 2008).

However, a few studies identified different global leadership values more important. For example, Petrick's (1999) research concluded behavioral complexity and stewardship development to be keys for business success. But if someone were choosing a CEO for a random global organization, or an organization with routine interaction, or equal growth in dozens or more diverse countries around the globe, then choosing a leader with as many of the GLOBE study values as possible would be optimal. Based on situational leadership (Northouse, 2013), good leaders should be able to reach into their tool bag and select the best leadership skills fitting the situation. According to Mendenhall's (2013) literature review, there are over 160 various characteristics or competencies that a leader may choose from if he or she is able. For global leaders, the pool may be narrowed down to 56 different competencies but, as Mendenhall (2013) admits, even this reduced amount is not functional for study. Therefore, choosing the best skills for managing conflicts in a global setting proves more than difficult and should be based on the situation first.

## **TEAMWORK**

Two of the leadership characteristics as they relate to teamwork are initiative and participative management. Hofstede (2001) discovered that in some countries (Sweden, Norway, Germany, Scandinavia, and Israel) initiative and participative management were assumed to be good traits as supported with the small power index values. However, Hofstede (2001) found using research from the power index value, that initiative by subordinates in the participative management arena infringed on the management's responsibilities.

Hofstede (2001) studied executive-level job advertisements in eight European countries. In one example regarding the characteristic *ability to cooperate*, the advertisements indicated that Swedes demonstrated the highest interest in this skill than Italians and Spaniards by over a 20 percent margin. This indicates that even though a leadership characteristic may be desirable, the degree of desirability may vary considerably from one culture or organization to the next.

Work group effectiveness is defined and measured by three things: the output, the process employed, and the experiences contributed (Thomas, 2008). Despite ample amount of literature on personal

attributes, not one attribute can be isolated by itself that facilitates group performance (Thomas, 2008). A leader's policies can influence (manage) and improve diverse team performance during conflict. For one, Zoogah's (2011) research indicated that streamlined coordination improved integration and facilitated team performance. However, a leader should be cautious not to overemphasize diversity publicly which could have negative effects. According to Zoogah (2011, p.514), "less visible diversity increases performance due to mediating the role of conflict."

## CONFLICT MANAGEMENT

Mendenhall (2013) described conflict as a disagreement moreover from differences of opinion. It was not necessarily positive or negative in itself. In Mendenhall's research (2013), a fair balance of conflict is necessary to keep an organization sharp which increases the performance of the organization. The causes of conflict can be good, for example, if it is a disagreement about the goals of the organizations. However, if the conflict originates because of trivial personalities this will cause negative outcomes and may prove long and difficult to resolve. Other causes of conflict may originate from role assignments especially in culturally diverse groups where some positions are thought of as more desirable based on culture (Thomas, 2008). One source of conflict revolves around managers trying to solve problems based on their own cultural preferences (Adams, 1999). Take for instance the American retail chain Wal-Mart and its mostly successful efforts to grow in China (Davies, 2007). Research from this specific case study (Gelfand, 2012) mentioned several challenges Wal-Mart had to overcome to include gender issues, unions, bribery, and extensive travel for managers. In the article *Settling Cross-Cultural Disagreements Begins With "Where" not "How"* Adams (1999) essentially concedes that conflict in an organization is inevitable. Adams (1999) said "every aspect of organizational life that creates order and coordination of effort must overcome other tendencies to action, and in that fact lies the potentiality for conflict" (p.617). Every organization has a degree of need for independence from others, including government and other organizations. Cultural biases only exacerbate the problem.

One of the best leadership skills in a global setting to settle conflict takes a keen interpretive ability (Malik, 2012). This is more than simply understanding the language, which is an important skill too, but context matters. Understanding the other side's basic culture to include religion and basic values, for example, can improve the success to resolving the problem or misunderstanding. Both parties must understand each other and when the foundation is not there, the measures of success remain uncertain. A leader who facilitates conflict resolution must be able to adequately communicate and correctly translate the meanings of foundational concepts during negotiations and arbitration, which is another key leadership skill in conflict resolution (Malik, 2012). A simple but dramatic example, provided by Malik (2012), is the varying cultural interpretations of *jihad* which we are seeing leaders around the world deal with today.

Love & Cugnon (2009) found growth in the job and learning of new skills were primary passions towards the individual and team's positive development, i.e. job satisfaction. The development of employee expectations and personal fulfillment are "momentous changes" in recent years and is a trend not likely to change anytime soon (Love & Cugnon, 2009). Leaders will be challenged to find the tools to manage, train, and develop their number one resource – people. A global leader should be proactive and try to solve conflicts before they start through education and training. However, a professional conflict manager should be readily available for large organizations. At a minimum, some type of conflict resolution techniques should be taught as recommended by Mendenhall (2013). This could be accomplished during annual training sessions for managers to train their teams. Mendenhall (2013) mentioned conflict itself, within moderation, may be an acceptable form of resolution if the disagreement stays on the task or organization and does not get overly personal.

## **ORGANIZATIONAL DIVERSITY**

No universal or clear definition of diversity exists in the literature, but as U.S. Supreme Court Justice Stewart explained to describe the impossible, “I know it when I see it.” (Adams, 2012, p.217). Thomas (2008) used the simplest definition of diversity in global terms to mean a cultural diversity which is constructed of different cultures in one group.

The value of diverse cross-cultural teams cannot be understated especially in a business construct. Some teams are more diverse than they appear by uniform, skin color, gender, or nationality alone. Zoogah (2011) researched team diversity and its effect on coordination and effectiveness. The study focused on multiple aspects of diversity, which was said to be lacking in the body of literature. These aspects included nationality, gender, and functional background. Of note in the Zoogah (2011) study, gender diversity increased performance satisfaction while functional diversity decreased in the same manner. Winkler (2011) was clear that diversity, specifically in a global setting, did not guarantee success. Winkler (2011) recommended companies create mixed teams based on context.

Leaders have to think about how to mold and develop culturally diverse teams through their policies and procedures. Nederveen-Pieterse (2013) said the potential benefits of diversity increased when the diversity focused on the outcomes through *information elaboration* (p.782) meaning the team had to be task-oriented and the task had to be relevant. For example, Nederveen-Pieterse (2013) recommended teams should be goal oriented which improve team performance by unifying the group around a common theme. Also, this research suggested employee hiring and scouting programs could use goal orientation as a practical measure to locate the right team mixture. Another diversity study by Kearney (2009) found diversity measured by education or age did not significantly improve or detract from team performance.

Diversity is widely viewed as a key element in any growing organization. Winkler (2011) identified 85 percent of senior managers performed over half of their work in global teams. Synergy from a global mindset (Mendenhall, 2013) is a fundamental organizing principle in a society whether it is a geographically global society or not. As opposed to the principles of competition, the goal of collaboration strives to “connect skills and resources at an affordable cost to enrich a project” (Phelps, 2011, p.30) and be mutually beneficial (Hines, 2010). In this regard, culture may accelerate the process. Ultimately, an organization that values diversity leads to competitiveness and breeds an ethical climate (Canen, 2008). A diverse organization provides leaders with the multicultural competence that reduces conflict by giving leaders the tools to manage conflict quickly or eliminate the hotspots that breed conflict (Canen, 2008).

## **LEADERSHIP PRACTICES**

A top priority for leaders is to routinely set and manage strategic goals and objectives. Goals must be established to measure progress (Love & Cugnon, 2009). This objectively clarifies the role of a leader (Zacharakis, 2012). Multiple paths must be set to achieve them and must involve the whole organization. On the job training and additional formal education increases the likelihood for promotion and increases opportunities for a successful current and follow-on career. Love & Cugnon (2009) devised a simple positive development plan to measure performance, which includes three focus areas: unique skills, core values, primary passions.

Another practice, and perhaps one of the most tangible tools that may be applied to all aspects of leadership and organizational success, is the self-assessment act of benchmarking. This method of building upon and archiving the best lessons learned from the activities in an organization must be a thoughtful and systematic process supported by the organizational leader (Magd, 2003). Support means commitment to continuous improvement and the willingness to implement change. Lessons learned are a common theme found among large global organizations, according to an article *Global Cases in Benchmarking: Best practices from Organizations Around the World* (1999). Following the best-in-class ideas, methods, and approach are ways to keep a competitive advantage within the industry (Jetmarova,

2011). This practice captures and assesses the intangible aspects of teamwork, conflict management, and diversity (Castka, 2004).

## RECOMMENDATIONS AND CONCLUSIONS

Overall, the characteristics and practices of leaders are well-documented; however, the refinement and documented results of these characteristics and practices through benchmarking have not. Studies in the literature mostly focused on male leaders and male-dominated organizations. For refinement purposes, Mendenhall (2013) argued tremendous benefits could be learned by more studies on women leaders. Organizations and researchers continue to learn more but, without building on best practices, organizations will find it difficult to maintain their competitive edges. Castka (2004) cited the academic community lagged behind in advancing models that integrate organizational benchmarking despite the continued benchmarking practice trends by global organizations, notably in the service and support sectors. If nothing else, this paper has shown that no two leaders or organizations are the same. However, leadership commitment to active learning, continuous development, and best practice processes especially in the areas of teamwork, conflict management and organizational diversity will prove to sustain an organization's global competitiveness.

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