Globalization and its Implications for Global Leadership

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Defining globalization and global leadership is a daunting task. Both are relatively new terms and phenomenon, yet were born out of the integration of diverse constructs. The challenge to global leaders is in properly contextualizing the meaning and expression of globalization in their organizational lives. The advent of rapid communication and knowledge transfer technologies has given rise to a tightly integrated global economy, which serves as a proxy definition of globalization. This global economy, however, must interface with more antiquated geopolitical infrastructures. Supranational institutions, such as the World Bank, World Trade Organization, International Monetary Fund, European Union, and North American Trade Organization (NATO) all represent attempts to resolve the discord between the economic and political realities of the global landscape. Analyzing contemporary literature on the matter identifies that global leadership must also straddle the political and economic realities of globalization to act as an interface mechanism to build sustainable and humanistic organizational lives for individuals who are experiencing a greater array of identities as social spaces close and cultures collide.

DEFINING GLOBALIZATION

Globalization has undergone a variety of transformations and evolutions; and it is changing and impacting organizations of the 21st century. While globalization has, to some degree, always existed with the movement of people across geographical areas, the formalization of the term arose only in the past 50 years with the rapid advancement of technology. At its most basic level, globalization refers to the integration and interdependence of human systems and artifacts, including economies, political entities, cultures, languages, and technologies (Qureshi & Jalbani, 2014). What distinguishes globalization from earlier concepts of blended cultures and human interactions is that these systems are not addressed as coexisting frameworks, but rather as a singular marketplace in which all transactions take place under the guise of a monolithic human experience.

The study of globalization, however, is deeply rooted in the economics of global exchange (Antoniades, 2008). While culture, with its attendant theoretical structures, is a central component of various definitions of globalization, the physical human experience is often excluded from the realities. Individuals are more tightly place-bound; as capital resources in their various forms are liberated to cross traditional nation-state boundaries. Further, the physical experience of humanness is experiencing tighter restrictions on movement, migration, and domiciling. The loose definitions of globalization which identify interdependence between economies often neglect to mention the vectors upon which these interdependencies are formed (Ferkiss, 2001). Looking more systematically at the economic realities of globalization demonstrates that certain geopolitical regions still maintain a high degree of hegemony on

global affairs, which suggests that the democratization of global culture and reality is not equitable. In fact, some scholars have argued that this is merely a repackaging of colonialism from a sociopolitical instrument to a new form of economic dominance (Antoniades, 2008; Ferkiss, 2001; Goldin, Reinert, & Beverinotti, 2012; Vadlamannati, 2015).

IMPACT OF GLOBALIZATION ON LEADERSHIP PRACTICES

A more nuanced definition of globalization requires the analysis of policies along several dimensions: (a)trade-related capacity building, including trade and capital flow; (b) standards for multinational enterprises; (c) intellectual capacity; (d) access to healthcare; (e) aid; and (f) migration (Goldin et al., 2012). Each of these policies have a distinct and collective impact on the geopolitical realities of globalization, particularly when analyzing North-South relationships. While many definitions of globalization hinge upon an explicitly economic analysis of cultural exchange, understanding the politics of policy demonstrates a clearer implication and understanding of the actualized reality of globalization. The popular culture promises of globalization are the diffusion of democracy, improved economic security, and easier access to economic exchange across all tiers of the social hierarchy. At the same time, politicians play a vital role in determining the policy dimensions and how they will integrate their domestic strategies into the broader global market (Ezrow & Hellwig, 2014).

Global leadership, as a relatively new field of study, is conflicted by the need to create cohesive social identity theory, which bridges national and global identities. Globalization is the scaling of localized characteristics into a broader network of diversity. Political infrastructure has evolved at a different pace than economic globalization, leaving a gap in the identity between economic global citizenship and political nation-state identities (Antoniades, 2008; Rajagopalan, 2015; Vadlamannati, 2015). Leadership, in an historical context, was about inspiring momentum within an in-group of likeminded or similarly identifying individuals. Global leadership must rest at the nexus of multiple and conflicting identities to bridge the gap between political and economic identities of constituents.

Organizations exist to achieve a specific function, and the nature of organizational life is that individuals must form a cohesive group in order to successfully achieve that function (Fellows, Goedde, & Schwichtenberg, 2014). In organizational life, the whole is a composite sum of the parts, regardless of the diversity between individuals. Globalization in the economic sense has introduced a greater scope of learning and adaptive capacity into organizational life with the easier flow of ideas, information, and knowledge through technological interventions and the increased interaction between cultural groups (Fellows et al., 2014; Goldin et al., 2012). Global leadership must be able to successfully integrate the political, economic, ideological, and cultural dimensions of identity theory (Coleman & Maogoto, 2013). The challenge, then, lies in managing issues of sovereignty and identity across various sociopolitical landscapes, regardless of the localization or geographical boundaries of the physical existence of organizational life (Antoniades, 2008; Coleman & Maogoto, 2013; Fellows et al., 2014).

The challenge with articulating a singular or granular definition of globalization rests squarely in the multitude of ways that it is used, depending on the context (Ferkiss, 2001; Vadlamannati, 2015). Historical studies of the intersection of multiple cultures and sociopolitical systems were primarily focused on the nation-state as the primary vehicle (Qureshi & Jalbani, 2014). With the tighter integration of diverse economies, however, the dialogue has broadened to focus almost explicitly on the role of economic interactions and consolidations (Antoniades, 2008; Coleman & Maogoto, 2013; Ezrow & Hellwig, 2014). Born out of a history of political dominance, which was shattered following World War I and World War II, globalization arose as a rebranded form of North-South dominance (Coleman & Maogoto, 2013; Rajagopalan, 2015).

Geopolitical contexts aside, the rapid increases in technological availability and capacity have had dramatic impacts on the ability for economic consolidation on a global scale (Goldin et al., 2012; Qureshi & Jalbani, 2014). Technology has been the primary determiner in the rise of civilization and society across history; it has more often than not played a key role in the downfall or decline of these as well (Wright, 2004). The rapid development and adoption of technology can give a strategic advantage to the

culture or society which develops it first; the challenge arises when the consequences of the technological invention or intervention outpaces the understanding of the use (Wright, 2004). While technology has allowed Northern, namely American and European, ideals and worldviews to dominate the global landscape through the economy, the political infrastructure which supports this diffusion of ideas, culture, and perspectives has not similarly kept pace.

Considering the dissonance between political and economic globalization, the study of globalization and the rise of global leadership must exist on a continuum between the two. This vehicle, connecting the historical antecedent of colonialism and political infrastructure to the neo-colonialism of global economic integration, is best understood as policy. Policy is the codification and enforcement of shared values, beliefs, and assumptions (Whalley, 2008). The challenge to leadership of globalization is not in the reframing or redefining of the term, but rather in the reorientation towards maintaining a balance between conflicting cultural systems and the written, codified, and institutional frameworks of the culture of policy.

THE DIMENSIONS OF GLOBALIZATION AND GLOBAL LEADERSHIP

Globalization is a complex landscape across two primary dimensions, the economy and the political. The economic domain represents the aspects of a globally integrated economy, which is primarily motivated by technological innovations. The improvement of communication technologies, specifically, has allowed a freer movement of economic and intellectual capital across nation-state boundaries. This has enabled multinational enterprises to evolve into transnational or supranational entities which can then exploit the financial or human resources of specific regions to meet the needs of the organization as a whole rather than the constituent elements. The political antecedents of globalization, colonialism, and other forms of forceful alignment to national identities, have left a miasma of divergent and conflicting policies and identities which have not evolved at the same pace of economic globalization.

Global leadership, a relatively new concept in practice, rests at the nexus of these two elements of globalization. Policy exists as an axis connecting the two elements of globalization, and exists at several levels. The political policy is slowly adapting to the growing influence of the economic globalization, but at the expense of representing the global economic enterprises rather than the constituency which it represents (Ezrow & Hellwig, 2014). The cultural policy is dramatically limiting the flow of individuals, changing and limiting migration patterns that do not benefit the intellectual capital of global business or institutions (Rajagopalan, 2015). Organizational policy is often structured to preserve the interests of the organization, but does not fully leverage of value the characteristics or qualities of lower tier segments of the organization (Antoniades, 2008; Qureshi & Jalbani, 2014; Vadlamannati, 2015).

Global leadership must not only include an understanding of the role policy plays in defining the relationship between the economic and politic elements of globalization, but must take an active role in shaping and melding the two to work in better unison. Where political policy fails teams, organizational policy must be reinforced to protect the individual constituents. When organizations violate political policy, leadership must be a proactive voice to protect those who are being infringed upon. Thus, global leadership is both a vessel and a vehicle of policy, bridging the organizational and national identities of those being led. Inspiration still plays a pivotal role in leadership, but must now be bridged between the politic and economic. Figure 1 below demonstrates the complexity of the variables at play in globalization and how global leaders must rest in the middle of conflicting and competing interests and institutions.

FIGURE 1
THE DIMENSIONS OF GLOBALIZATION
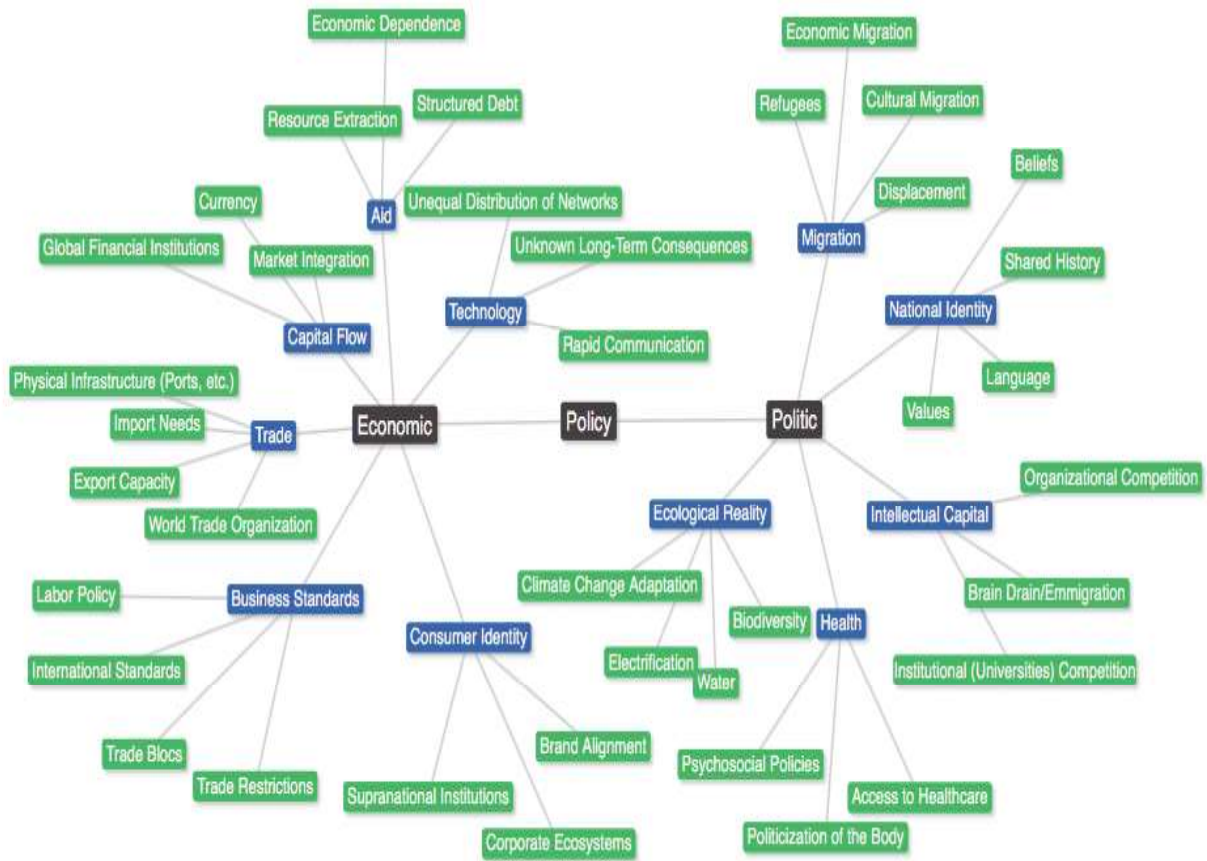
A visual representation of the bifurcation and relationship between the elements of globalization and a selection of areas of interest.

CHALLENGES OF GLOBALIZATION IN LEADERSHIP

While globalization has many positive aspects to it, including bringing people together, and making goods and service more accessible, there are numerous challenges to both the globalization concept and definition and what it means for leadership in general. For the consumer and leader, the idea of making the world smaller has its advantages, but associated with those advantages are disadvantages with which both consumers and leaders must deal.

To be a successful global leader, one must embrace cultural diversity. Successful global leaders understand how culture and leadership interchange to help organizations achieve their goals. Transcultural leaders also need to possess cultural intelligence (CQ). A high degree of cultural intelligence (CQ) is critical for leading today's highly diverse global organizations. Cultural differences are an important factor in how leaders and followers interact ethically in a transcultural environment. Global leaders must be aware of how their personal values and beliefs are interpreted by their followers. This is important because differences in ethical values between leaders and followers can lead to miscommunication, misunderstandings, and a loss of trust. Also, since leadership is an influential process whereby leaders tend to hold more power and control than their followers, they have an ethical duty to be sympathetic to their followers' unique needs and those of their organization.

Globalization Redefined

First, the idea of globalization takes on a whole new meaning in the 21st century and beyond. Globalization was something significantly different 100 or 200 years ago, when there were no telephones, internet, or electronic devices which could transfer funds and data across many miles and help others do work and transfer assets or funds. Globalization has gone from creating transportation systems within a certain country, to establish business relationships across different regions, to expanding business and personal relationships across continents and thousands of miles (Ajarimah, 2001). In the past, what took weeks and months, can now easily be dwindled down to minutes and even seconds, with the advancement of technology, including the numerous communication systems used by businesses worldwide. The internet and cell phone capabilities are immense and can put the leader, follower, and consumer, immediately in contact and with the correct information and goods and services with the stroke of a keyboard. It has sped up the logistical process, but it may not have increased the personal relationships which are needed when there is feedback on work product, or personal attention to business transactions, which may require personal contact and looking the employee, consumer, or business partner in the eye and providing conversation and interpersonal communication.

There are also other changes required in the new 21st century world of quick transactions and speedy goods and services provided. Since the different roles of leaders and followers have changed, sometimes these roles change or combine, and are completed by each at different times. For example, given that the world is smaller (flatter) (Ernst & Chrobot-Mason, 2011; Friedman, 2005; Huntington, 1993), leaders and followers have created a new interdependence, relying on each other more closely than ever before. They not only have to communicate and work with those close in proximity to themselves, but they must carry on the same type of interpersonal contact with those who may be thousands of miles away, even in other countries or continents. Since the world has become smaller in terms of communication and conducting business, both leaders and followers as if everybody (no matter where they are in the world) is next door or in the same building. This creates a new interpersonal relationship paradigm and keeps both leaders and followers on their best behavior. Not only must leaders have faster communication channels, but they must be able to provide honest and timely feedback to not only those who work in the same physical proximity, but also with other colleagues, peers, and customers, who may be anywhere in the world. This creates the leader and follower (since they may be located anywhere in the world) to always be alert and aware that they can be contacted for feedback and action on a moment's notice. As a result, both leaders and follower must be able to channel their energies quickly and efficiently, without lag time and little time for reflection. Therefore, leaders and followers should not fall into the trap of simply reacting to issues instead of thinking them through before responding in action.

Technology

Another challenge to the global leader are the changes that advanced technology brings. Given the many scientific developments and technological advances, the now-flattened world (Ernst & Chrobot-Mason, 2011; Friedman, 2005; Huntington, 1993, 1996) challenges leaders and followers to change how they live and conduct business (Sanborn, Malhorta, & Atchison, 2011) and their interactions with colleagues worldwide, especially when it comes to developing interpersonal relationships and inter-cultural dialogue. This is especially true in foreign countries and cultures that are very different from that of the host nation (UN, 2013; WorldEconomicForum, 2015 [January]).

A related sub-issue of technology is that many organizations worldwide have begun to focus on knowledge workers, given the focus on the "light-speed" transfer of information and business data, such that it has affected how countries and cultures view how they are to educate their future leaders and what type of educational strategic views they need to develop in order for educational institutions to keep up with world demand of techno-current educational and training programs (Ajarimah, 2001, p. 15). This allows educational institutions to collaborate with business and industrial corporations and produce leaders and employees who are current in all areas of technology and what is required by any specific corporation in terms of modern information technology and innovation. Similarly, universities can develop new and technologically useful academic concentrations and classes that students can take so that

they are prepared for the current corporate world in technology or related jobs. It is common for all employees to at least have a basic understanding of information technology and how to use it in daily business. Given the current speed of information and data across the internet highways, it is common for executives as well as lower level employees to have knowledge of building spreadsheets as well as PowerPoint presentations daily, and in many aspects of their daily tasks. For example, creating Word documents, which was once a highly technical skill, is now commonplace and hardly anyone in the workplace can function without such basic skills. As a result, both academic institutions and corporations base many of their training programs on advancing information technological skills as well as having their employees innovate and come up with faster and easier ways of doing business.

Culture

In the world community, we are all human and the same in many respects; but on the other hand, we are also very different, in our languages, customs, traditions, and the way we conduct daily life and business. Culture thus becomes another significant issue regarding how global leaders behave in the world community. The fact that the world has become smaller and similar to having the entire neighborhood close by, or at least in the same area, the global leader has to get to know his now-close neighbors and must know how they think and operate, thus has to know the culture of the other, as opposed to only knowing his and not having to engage with others or their cultures (Sanborn et al., 2011; Wyman, 2015). As the global world is not smaller, the global leader changes focus and takes into consideration the differences in cultures, which may or may not bring about additional stress and potential for conflict.

The global leader must now inform himself on other world cultures and what it means to know those whom he deals with, whether it is an employee, boss in another country, or in business dealings with others whom he does not have daily contact. While this is ideal in that the new global leader has knowledge of various cultures, it can also lead to resentment and nationalism (Bremmer, 2016), thus having the global leader doing what he has to do to get the job done, but not really engaging long-term in the global cultural market, and thus focusing on his own culture as the one to prefer above all others. Likewise, this may also lead to conflict with others, and perhaps even with those with whom he deals with daily, including co-workers, colleagues, and superiors. Therefore, knowing other cultures in the business world is not enough; the new global leader must know, but must also engage in that culture and must be ready to transfer and engage in other cultures as needed, in order to maintain positive interpersonal relationships, for this is how things actually get done in the business world.

CONCLUSION

The lack of a consistent definition of globalization speaks to the complexity of intersecting systems. While not a new concept or practice, scale characterizes its rise rather than originality. A confluence of historical geopolitical systems and contemporary technologies and economies, global leaders must act as the bridge. While the system is born out of deep inequalities and unequal power structures, there remains an opportunity for global leaders to create a blended future of globalization which protects human rights, dignities, and opportunity through using policy at the organizational, political, and economic levels. In order to be an effective global leader, it requires an understanding of the nuanced division of characteristics and components inherent in globalization. The new global leader must also be aware of the challenges that lay ahead and must foresee those challenges, developing strategies to help combat them long-term. This new leader should look at the available crystal ball and know how the books ends with challenges which include the redefinition of globalization—an interconnectedness requiring instant response, action, and knowledge; technology—being technologically savvy enough to know information technology nuances and enough knowledge to not allow others to take advantage; and knowledge of other cultures, especially among employees, peers, colleagues, and others who may not be in the same country or hemisphere. Thus, the new-age global leader should be knowledgeable, quick on his feet, informed technology and culturally, as well as being able to handle conflict and identify issues as they arise.

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