the emerging new world of

GLOCALISED LEADERSHIP

- a report by Reetu Raina

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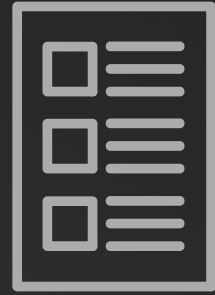
Glocalised Leadership

We are seeing a new leadership model, which I have termed as the Glocalised Leadership Model, emerging in the business world. It amalgamates local culture, organizational culture, and customer culture to give rise to powerful, visionary, and transformational leaders.

Today's organizations are increasingly becoming global. This is giving rise to globalized delivery models, unpredictable growth, volatile work environments, and constant flux. Add to this the inflow of disruptive technologies and changing customer demands that alter the business equations quite frequently.

All this is putting pressure on the leaders to perform in a global as well as local setting and successfully meet the overall demands of the organization while operating within the bounds of local cultures, regional thought processes, organizational goals, industry best practices, and above all, the customer needs.

A new leadership model, termed as Glocalised Leadership, is emerging in the business world.

9/10

global HR and business leaders cited leadership as a top issue.

6%

of companies feel fully ready to address their leadership issues.

10%

feel comfortable with their succession program.

7%

have strong programs to build Millennial leaders.

87%

of organizations cite culture and engagement as one of their top challenges.

Source: Human Capital Trends 2015, Deloitte

"A generic leadership model will not suffice anymore. Businesses need to understand that leadership should be flexible and be completely based on the context in which it operates."

Leadership Challenges

The life of modern-day leaders is more demanding than ever. Inside their organizations, they need to motivate a diverse group of women and men, work across organizational boundaries, improve efficiency, and achieve growth. Externally, they face a complex and globalized environment. They have to manage the requirements of the government, keep ahead of competitors, and exceed the expectations of other stakeholders.

And within this global environment, there are many cultural considerations leaders must navigate to be effective. They must work across cultural boundaries and alongside others who, at times, are very different from them and have different ways of getting work done.

Today's leaders have to effectively mix the following three cognitive capabilities to be more effective in the global world.

Emotional

Lead by managing diversity using Emotional Quotient (EQ)

Spiritual

Lead by managing uncertainty using Spiritual Quotient (SQ)

Intelligence

Lead by managing complexity using Intelligence Quotient (IQ)

Where are the leaders struggling?

*Percentage of leaders who consider themselves highly effective.

37%
leading across countries and cultures.

39%
inter-cultural communication within international business environments.

The least effective leadership skills are >

45%
integrating oneself into intercultural or foreign environments.

Leadership: A Global Context

Leadership cannot be looked in isolation; there are certain leadership traits which are universal but context plays an important role. So, the best and most effective way would be to build a hybrid leadership model. And that model would comprise of universal traits of leadership and traits demanded by context.

The Influencing Factors For Leadership In A Global Context

Customer
CULTURE

Local
CULTURE

Organization
CULTURE

Local Culture

Culture plays a vital role in defining and helping the leadership to deliver the desired results. If we study the differences between the cultures in the Eastern and Western worlds, we come across a range of dissimilarities. Just like culture impacts the leadership styles, it also has a great impact on the way customers think, behave, and act.

Due to global nature of the organizations, the leadership styles are being determined by the West. They decide the styles based on "what works" (in the Western context). But, those styles are being implemented in the emerging markets of the Eastern world, like the APAC region. The context is changed. And this gap, at times, leads to leadership failure.
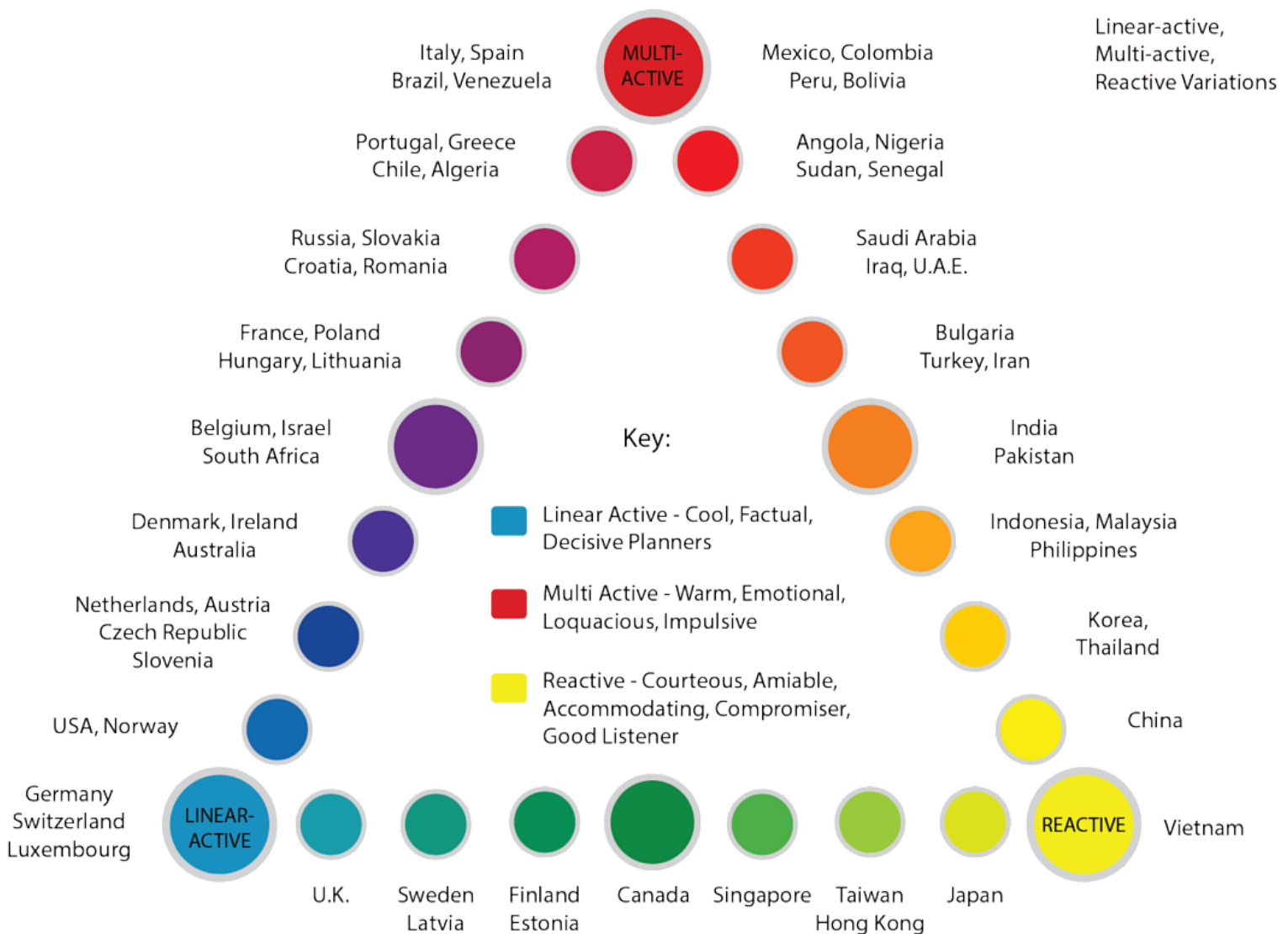
Importance of Varied Culture

One of the important factors that can help us in building effective leadership is deep understanding of cultures.

The Lewis Model is a good first step to get a better perspective about various cultures. The model explains every culture in the world with great accuracy.

The Lewis Model

Linear-active, Multi-active, Reactive Variations

Italy, Spain Brazil, Venezuela — **MULTI-ACTIVE** — Mexico, Colombia Peru, Bolivia

Portugal, Greece Chile, Algeria

Angola, Nigeria Sudan, Senegal

Russia, Slovakia Croatia, Romania

Saudi Arabia Iraq, U.A.E.

France, Poland Hungary, Lithuania

Bulgaria Turkey, Iran

Belgium, Israel South Africa

India Pakistan

Denmark, Ireland Australia

Indonesia, Malaysia Philippines

Netherlands, Austria Czech Republic Slovenia

Korea, Thailand

USA, Norway

China

Germany Switzerland Luxembourg — **LINEAR-ACTIVE**

REACTIVE — Vietnam

U.K. Sweden Latvia Finland Estonia Canada Singapore Taiwan Hong Kong Japan

Key:

■ Linear Active - Cool, Factual, Decisive Planners

■ Multi Active - Warm, Emotional, Loquacious, Impulsive

■ Reactive - Courteous, Amiable, Accommodating, Compromiser, Good Listener

The Lewis Cultural model stratifies the entire globe into three categories >

1

Linear-Active

Task Oriented

They plan, schedule, organize, pursue action chains, use data, do one thing at a time.
e.g., Swiss, Germans

2

Multi-Active

People Oriented

They are talkative, dialogue-oriented and can do many things at once.
e.g., Italians, Latin Americans, Arabs

3

Reactive

Listening Oriented

They prioritize courtesy and respect, listening quietly and calmly and reacting carefully to the other side's proposals.
e.g., Chinese, Japanese

According to Richard Lewis, the behavior of people from different cultures does not change much over time and hence their reactions to various situations can be predicted and managed accordingly.

Impact of Cultural Context on Leadership Styles

Leaders have their own thought-process, which has a strong connection with the cultural background they come from. People who are led by these leaders, in turn, have their own ways of thinking and perspectives which are rooted deeply in their own cultural backgrounds.

If we go further in the cultural context based on The Lewis Model, we would find that what matters is not the intent but the behavioral manifestation of intent.

For instance, let's consider that Linear-Active leaders have an expectation of work being done by Multi-Active team members. Although the end result or intent for both would be the same (that is to achieve the organizational goal); the language which Linear-Active leader will speak would be task-oriented, and the language which Multi-Active resources will speak would be people-oriented.

Knowledge about the cultural context will surely help global leaders as they may be facing multiple cultures at the same time.

A typical example to elaborate this point can be taken from IT industry.

American
Customer

European
Headquarters

Indian
Delivery Arm

For leaders to become truly GLOCAL they must understand the intent behind the behavioral manifestation of the region they are collaborating with.
And as leaders, if they are able to connect to the intent, then they would be able to understand and respond in a more relevant and connected way.

VIKRAM PANDEY

Vice President - Software Development
AMDOCS

"In today's contextual world you cannot have generic global leadership models. During product development, you create the prototype for the emerging markets. While the leadership is simply implanted from West to East. It cannot work that way; leadership models need to be reworked by connecting the contextual framework."

Organizational Culture

Haven't we heard the phrase quite often:
"This is the way things work around here"

This phrase defines an organization's culture very clearly and it is something that's very hard to change. In an organizational set-up there are three important factors that have a big impact on the leadership style >

Practices

Values

Norms

Organizational culture has been formally defined as:

"A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems."

Impact of Organizational Culture on Leadership Style

Organizational culture has an impact on leadership style and "what works" leadership model. Each organization has a certain set of values, practices and norms that they are comfortable with and find effective in their industry.

These parameters define the organization and make it unique and hence they determine how leaders should function in that organization, as, after all, the whole objective of effective leadership is to achieve organizational goals.

Impact of Industry on Leadership Style

Different industries demand varied styles to achieve the business results. If we look at manufacturing industry, the expectations are different. Long drawn process, detailed steps, quality assessments, and the precise way in which the business model operates are some of the elements of manufacturing industry. These key elements which are core to the business play a vital role in the way leadership is decided to be effective. And so, for instance, disruption as a leadership style may not bring as impactful results in manufacturing as it might in the hi-tech industry.

Leadership Based On Organizational Culture

Although the leadership style followed by a leader would be based on the industry or organization they are in, they have the power to change the organizational culture to some extent with their visionary leadership skills and the persuasiveness to mobilize attention towards a new vision. But on the other hand, sometimes even the most extraordinary leaders cannot achieve much if the culture doesn't allow them to influence people to work towards a common goal. Hence, leadership style must be adjusted according to the situation to ensure organizational effectiveness. Transformational leaders help in shaping and maintaining the desired organizational culture which has a definite link to organizational effectiveness.
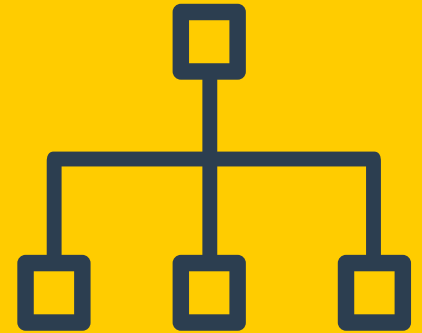
DR. SANJAY MUTHAL

Executive Director
RGF Management Search

"Having worked for 30 + years across industries in global and local organizations, what I have realized is that each organization has its own DNA and a way of working.

Success of leadership is determined by matching of leadership skills with the organizational culture."

Customer's Culture

Customers are always sacrosanct in organizations as they are ultimately the ones who drive the bottom line. When something becomes sacrosanct in an organization it starts driving behavior in order to meet the needs.

"Customer is King"

The statement has many dimensions to it. Customers play a very important role in determining the organizational culture, and consequently the leadership style as well.

When we look at various case studies where companies have customers from a particular region we see that there is a significant impact on the organizational culture and the leadership styles as they strive to match the expectations of those customers. This makes that organization quite different from the peers in the same industry and it becomes evident that it is the customer who is steering the leadership style.

If we observe the firms in the information technology industry, we realize that the customers they serve have a huge impact on their working style. In fact, we even see various forms of leadership styles being followed in the same organization where leaders of the teams serving different customers or countries have tweaked the way they lead and motivate their teams.

DR. ORA SETTER

Tel Aviv University | Israel

"Cross-cultural differences are deep and subtle.
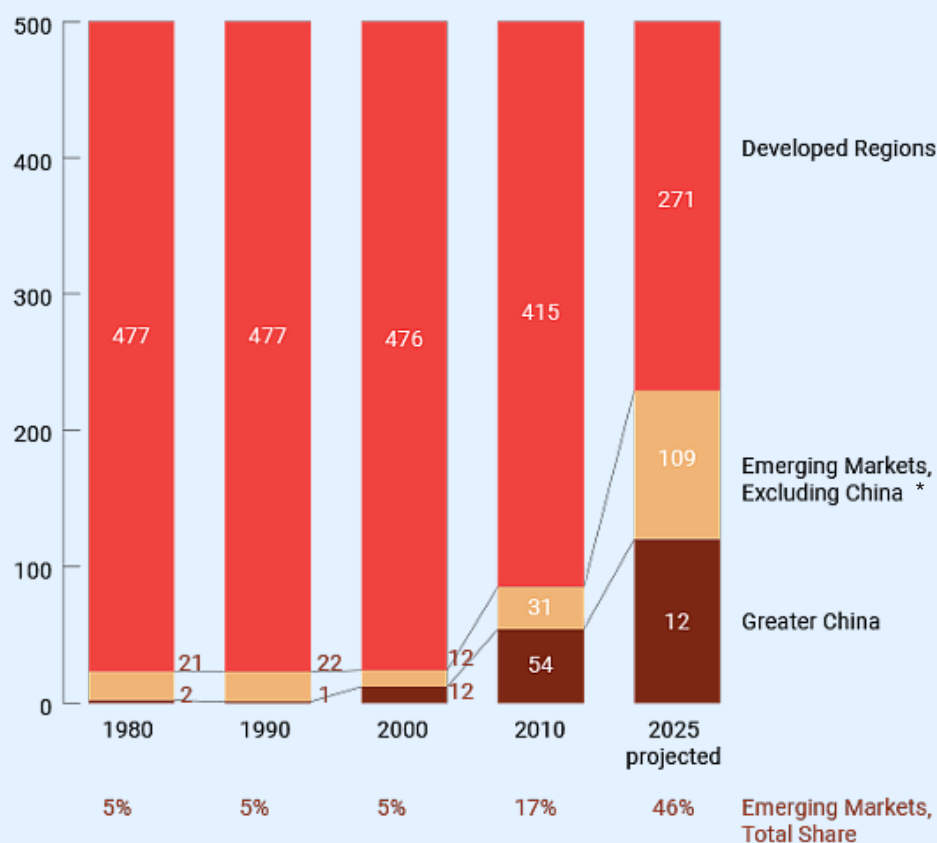To be effective in the glocal world, two skills all leaders need are: listening very carefully and respectfully to what emerges in each of different cultures, and the ability to change their behavior accordingly while still holding to their vision."

Why Do We Need A New Leadership Model?

Our business realities are changing today. World is becoming a global village and the untouched markets in the world are ready to play a major role in the growth. With this shift in growth, applying the leadership models of the West for the rest of the world and ignoring the subculture of region will lead to ambiguity and loss of leadership effectiveness.

A report by McKinsey on shift in growth by 2025 is a clear indication of this fact:

The Fortune Global 500 by location, number of companies

Year	Developed Regions	Emerging Markets, Excluding China *	Greater China	Emerging Markets, Total Share
1980	477	21	2	5%
1990	477	22	1	5%
2000	476	12	12	5%
2010	415	31	54	17%
2025 projected	271	109	12	46%

Africa, Eastern Europe and Central Asia, Latin America, Middle East, South Asia & Southeast Asia
China, Hong Kong, Macau & Taiwan *

With saturation of business in developed economies there is shift happening in the economic growth of the world, and emerging or developing economies are playing a major role in driving this change.

This economic shift will increase the demand of capable global leaders with local contextual understanding. But most organizations today tend to ignore this and use only one global way of "what works" leadership model. This is leading to a shortage of effective leaders in the emerging world. As a result, we decide the parameters of success based on the developed economies context. Just to give an example here, a research was conducted by Center for Creative Leadership (CCL) on APAC leadership. In this research bosses of 1,818 leaders in the APAC region were asked to indicate the eight most critical competencies for organizational success and CCL reported on the five most frequently identified competencies:

Resourcefulness: thinking strategically, making good decisions, solving problems	82%
Decisiveness: taking quick and approximate actions	79%
Doing Whatever It Takes: having perseverance, taking charge, learning from others	70%

Competencies Critical to Meeting Job Challenges

Leading Employees: delegating, broadening employee opportunities, hiring talented people	93%
Change Management: facilitating organizational change, overcoming, resistance to change	74%

Competencies Critical to Leading People

Source: Research Report by Center for Creative Leadership (CCL)

And further research by CCL on the topic gave the following insights:
• Leaders in APAC are very good on competencies critical for meeting job challenges.
• Leaders in APAC are not so good on competencies required for leading people.

The determination of conclusion was based on what is working somewhere else and completely ignoring the contextual part based on local and customer culture.

In a glocalised world, competencies cannot be standardized across the globe. We need to add the element of context, which includes: local culture, organization culture and customer culture, to determine the standards of effective leadership.
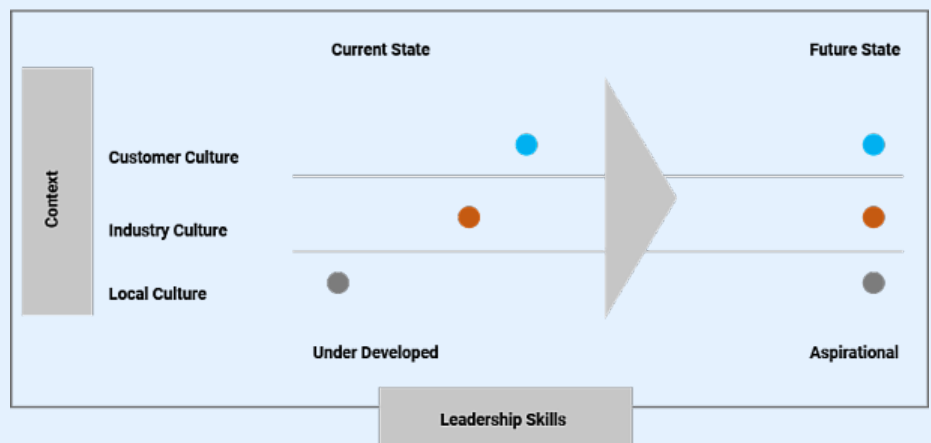
Glocalised Leadership Model

THE WAY FORWARD

Today's leaders have to think global but act local!

In the current scenario, the leadership style which has worked in the developed western nations is accepted as a norm for leadership development in the emerging nations. But this approach is not effective and will slowly diminish the quality of leadership.

The current leadership styles are more dependent on customer cultures or organizational cultures. An ideal gap analysis model looks like this:

The Need

In today's world when we are talking about prototyping a product before launching it in a specific market, why do we tend to forget the contextual realities for leadership effectiveness and have generic leadership models across the globe?

Just like G-localized products, there is a need to create G-localized leadership models.

G-local Leadership Model tries to determine leadership effectiveness by taking into consideration contextual realities suiting the local market and business environment.
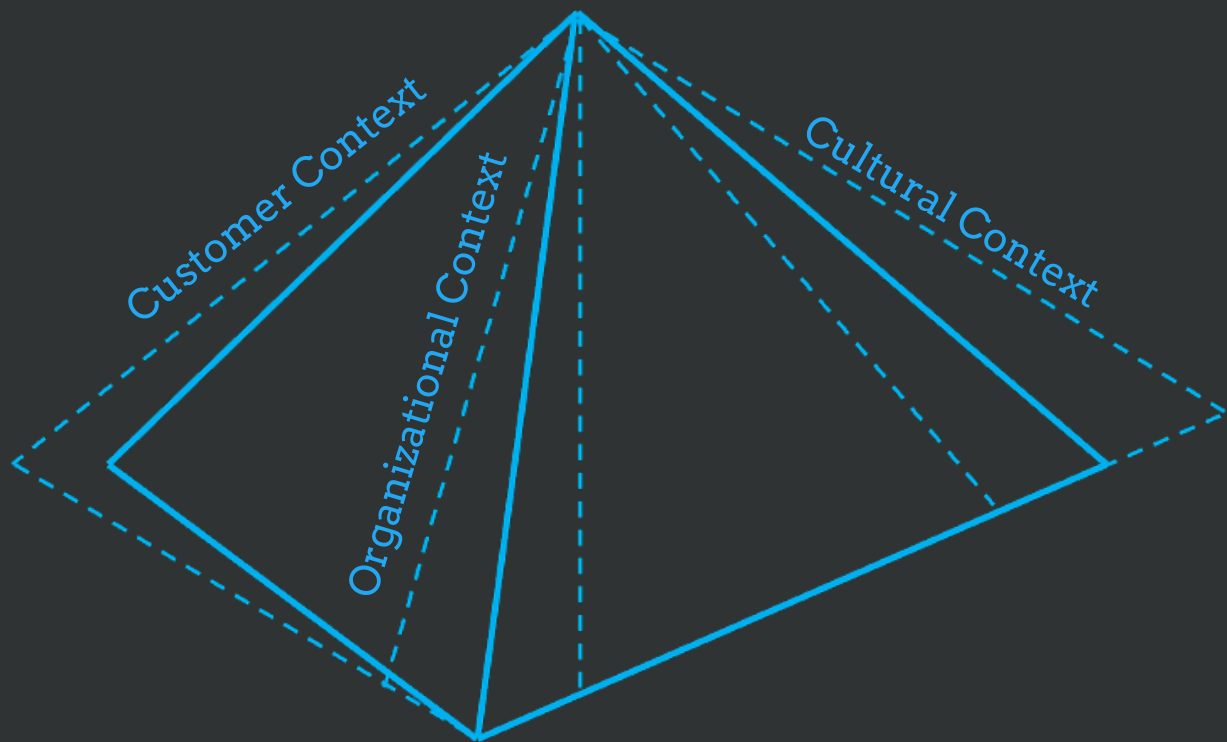
GLOCALISATION

"The creation of products or services intended for the global market, but customized to suit the local cultures."
- *Robertson, 1995:28 (Wordspy)*

The Glocalised Leadership Model

A hybrid leadership model that gives equal weightage to universal leadership traits and the context based traits.

If we keep the leadership competencies constant, the influencing factors like industry and region will determine the threshold for successful operation of a leadership style – and that threshold cannot be constant globally.

When we operate in different geographies, different customers and different industries, the effectiveness of the leadership model varies. Let us take an example: if the customer is based out of Asia, the precision with which the process is followed gets diluted by the relationship between the customer and service provider.

Likewise, if the organization's culture demands aggression, leaders may not be able to be effective even if they have best of all competencies but are unable to express the explicit behavior of aggression. This element of organizational culture will be pivotal in determining the threshold of leadership effectiveness.

We can drive a conclusion that leadership style must give equal weightage to the cultural, organizational, and customer contexts and only this can propel us into an era of effective Glocalised Leadership.

Recommendations

• Define your leadership standards as per your contextual reality of local regional culture, customer culture and the overarching organizational culture.

• Do not implant the leaders from the West to the East. There is a need to build local leadership as the local leaders are strong in the culture of their regions and also know the customer culture well in case of local customers.

• Bridge the gap in organizational culture for the local leaders by mentoring them with senior professionals from headquarters and shadowing them as well.

• To define the G-local leadership standards we need to move to the prototyping concept in leadership as we do for products before we launch them in emerging markets.

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About The Author

Reetu Raina
Global OD Practice Lead
AMDOCS

A dynamic and visionary HR professional, Reetu is best known for driving change by connecting business realities to strategic HR initiatives. She has worked in various functions within HR – from a generalist to Learning and Development head, leading organization development and talent management. Her expertise spans various industries ranging from Telecom, Banking and Financial Services to IT. This varied industry exposure is the bedrock of her skills as an HR professional with a well-rounded approach to business and human capital management.

A passionate facilitator and an enthusiastic coach Reetu loves human psychology and organizational sociology and is keenly interested in the unique connection that the two disciplines throw to create a plethora of behavioral patterns in the corporate world. She often uses this perspective in creating an employee-oriented, high-performance culture that results in the development of a new breed of the dynamic, multi-skilled and motivated workforce. Reetu currently leads the leadership development, talent management and learning at Amdocs (India).

An MBA in Human Resource Management, with Distinction from the University of Pune, Reetu is also the recipient of Women Super Achiever Award by World HRD Congress in 2012 and is a frequent speaker at various global HR forums.