

Culture & Leadership: How leadership impacts cross cultural management?

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Abstract

As globalisation continues at unprecedented rates, there are increasing cultural clashes which commonly result in unsuccessful international business assignments. This essay will discuss the importance of top management acknowledging that there are differences in cultures which need to be considered. Different cultures value certain leadership characteristics differently, which means managers and other business leaders, must not only acknowledge the different characteristics but also adopt these characteristics in order to successfully manage in that environment. Evidence will be used to support methods which leaders and managers can use to identify the type of culture they are going to be working with, and further evidence will be used to identify the different leadership styles preferred by different countries and hence different cultures. However due to the complexity of international business, managers and leaders cannot rely just on several methods of identifying cultures and tools to help guide their leadership styles because there is too much variation between multiple cultures. Instead a global mind set needs to be acquired and developed. A global mind set changes an individual's perceptions not only about other cultures but also their own. Individuals become more open minded, and are able to adapt their understandings of business conduct to a local point of view, anywhere in the world. A global mind set ultimately increases individual's capacity to successfully manage cross-cultural international business assignments.

Keywords: Globalization; cultural management; leadership.

Introduction

In the modern global market there is an ever increasing presence in the quantity and diversity of organisations. They all implement different strategies to compete and attempt to gain a competitive

edge, in order to grow, or at least maintain their business. These strategies are very important as they can determine the success or failure of the organisation, particularly when an organisation aims to enter foreign markets. Different cultures can result in different ways of thinking, which results in different decision making, and ultimately different ways of conducting business. So when an organisation tries to create a new subsidiary in a different country, or collaborate, or merge, they must at least consider the differences between cultures. As organisations cross national borders they meet new challenges, such as different culture, business practice, race, religion, ethnicity, different laws, regulation etc. All these aspects fall under globalisation (the spread of current and new organisations across national borders). Globalisation is constantly increasing the number of international assignments and thus the diversity of the workforce resulting in increased cultural clashes which are a major cause of unsuccessful international assignments.

In this essay the significant influence of culture on international business and management will be discussed, with a focus on what top management can do to reduce cultural clashes and reduce failure of international assignments. It is crucial to acknowledge what culture is and that there are differences between cultures. This can significantly influence the type of leadership style that should be used, in order to improve the management of international assignments. As an example, a study conducted by Brodbeck *et al* (2000) on the different preferred leadership styles across 22 countries in Europe will be examined. With supporting evidence this essay will argue that different cultures require different leadership styles and that the most effective international leaders develop a global mind set.

Across the many different countries in the world there are many different cultures. In today's world most countries have more than one culture. Further, amongst these countries there are many organisations which may also have their own internal culture, be it the same as their national culture or completely different. This essay will focus on organisational culture. Thus it is important to define what organisational culture is and to try and understand some of its dynamics. There are many different definitions of organisational culture. Some authors define organisational culture as the glue which can maintain the organisation and also encourage its members to commit and perform (Van Den Berg & Wilderom, 2004). The values, customs, beliefs and systems that are unique to an organisation will determine its culture (Burnes, 2004). There are many more authors who give their own definitions of organisational culture, however collectively; culture can be

described as a uniting of individuals who share common goals, values, attitudes and behaviour. Culture can influence the way we perceive life, which in effect determines what we as individuals accept as right and wrong. Culture is important because it can determine which leadership style is preferred and effective.

One well known author who has spent many years trying to define and understand culture is Hofstede (1980), who designed four cultural dimensions to distinguish between different cultures:

1. Power distance: these are the varying relationships with varying degrees of unequal power between members of the organisation.
2. Uncertainty avoidance: the amount of tolerance for uncertainty.
3. Individualism versus collectivism: the degree to which the individuals form groups.
4. Masculinity versus femininity: the degree of aggression and competitiveness in the working environment to gain wealth, versus the degree of humbleness and caring, where the quality of life is more important than wealth. (Clegg *et al.*, 2008)

This model is commonly used to distinguish which dimension is more important in different cultures (see table 1). For example, Malaysian culture has strong power distance relationships, between the top management and the lower level employees. This means important decision making concerning the organisation's strategies are likely to be dealt with solely by top management, with disregard of the lower level employees opinions; such practice is widely accepted in Malaysia. However in the U.K. the power distances are less, meaning more members of the organisations will have significant influence over vital decision making. As globalisation increases, the amount of international assignments increase. Thus there is an increase in demand for expatriates or international assignees (individuals who are transferred to another country, to work on an operation for more than one year (Briscoe *et al.*, 2008)). It is important for potential expatriate leaders to have as much understanding as possible of their host country's culture, because it will help them adapt better to the new culture, new methods of business conduct and perhaps a new way of life. Comprehension of the host country's culture is very important in order for the leader to adapt their leadership style according to the characteristics and behaviour expected by that country (or possibly a different organisation or foreign subsidiary).

Table 1: The varying degrees of difference in Hofstede's four cultural dimensions, among different countries (see Hofstede, 1980).

	Power distance	Individualism	Masculinity	Uncertainty avoidance
USA	40	91	62	46
UK	35	67	66	65
Germany	35	67	66	65
Australia	36	90	61	51
Canada	39	80	52	48
Sweden	31	71	5	29
Denmark	18	74	16	23
France	68	71	66	65
Italy	50	76	70	75
Spain	57	51	42	86
Japan	54	46	95	92
Indonesia	78	14	46	48
India	77	48	56	40
Thailand	64	20	34	64
Hong Kong	68	25	57	29
Taiwan	58	17	45	69
Singapore	74	20	48	8
Malaysia	104	26	50	86
Brazil	69	38	49	76
Mexico	81	30	69	82
Arab Countries	80	38	53	68

Note: Scores are obtained from statistical factors.
Source: Hofstede (1980).

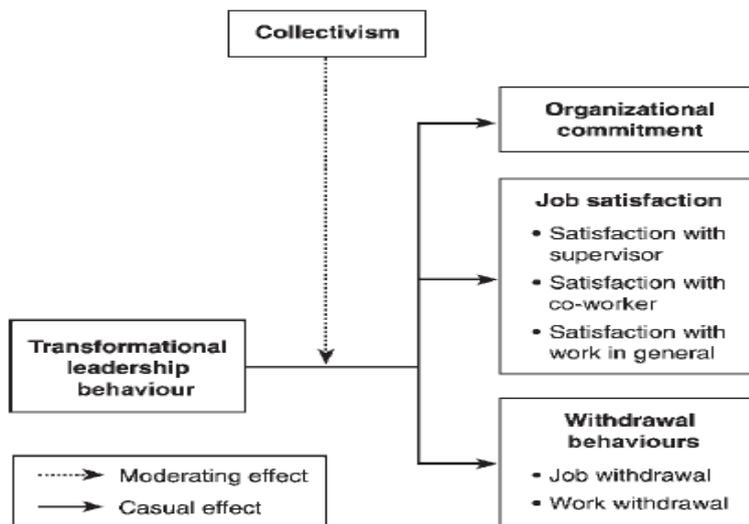
Leadership styles

Leaders are very important to organisations because they are involved in so many essential processes within organisations, such as developing the short term and long term strategy of where the organisation wants be. Leadership can be defined as the process which motivates and inspires others towards the achievement of common goals (Clegg *et al.*, 2008). Understanding leadership is very important in becoming an effective international leader of an organisation and is a vital process of developing a global mind set. There are many different leadership styles which would be best suited to certain cultures. Some of the common leadership styles include the trait theory, behavioural theory, path-goal theory, transformational theory and situational theory. The trait theory, suggests that individuals are born as leaders and they have innate characteristics, such as intelligence, confidence, integrity and a great ability to motivate people. This would imply that leadership is not something that can be learnt but that you are born with. It would also suggest that subordinates must also be innate (Clegg *et al.*, 2008). This one of the oldest leadership theories and has received a lot of criticism.

More recent theories argue that leadership is not innate and that it can actually be learnt and acquired; this is the view adopted by this essay. For example the behaviour theory suggests that you either act like a leader or you do not. This theory is not based on characteristics, instead, it focuses on the behaviour which is observable and can be learnt, developed (if needed) and thus taught. The path-goal theory was designed by Robert House (1971), his theory suggests, effective leaders can motivate their followers by using the job tasks and rewarding good performance and punishing bad performance. The leaders using this theory need to provide psychological and technical support, as well as information and any additional resources necessary to complete the task. This theory has four main characteristics which leaders should have: directive approach, being supportive, being participative and achievement oriented, (Clegg *et al.*, 2008). This leadership style would be suited to more masculine countries like France (table 1). Situational leaders determine leadership style according to how they, as individuals, assess the environment/situation and choose what they believe are the right characteristics or behaviours for that particular situation, (Clegg *et al.*, 2008). The transformational theory of leadership suggests the leader tries to engage with the followers and to engage the followers with the rest of the group and task. The leader also acknowledges the members of the group as individuals and tries to develop them individually to their potential, (Walumbwa & Lawler, 2003). Bass (1985) identifies the four main components of a transformational leadership style: charisma, inspirational motivation, intellectual stimulation and individualised consideration. A study by Walumbwa and Lawler (2003) aimed to find out how transformational leadership can affect organisational commitment, job satisfaction, and withdrawal behaviours, in a collectivist culture. They proposed the framework for transformational leadership and overall job outcomes (figure 1) to illustrate the theoretical overview. They implemented hypotheses to test whether transformational leadership in a collectivist culture would enhance job satisfaction and reduce withdrawal behaviours, or whether it would have the opposite effects (reducing job satisfaction and increasing job withdrawal). They conclude; transformational leadership in the collectivist culture does significantly enhance all 3 aspects of job satisfaction and reduces job and work withdrawals. The previous evidence shows the different types of leadership styles, and how they can affect employees and the entire organisation. For the leader to acknowledge which leadership styles are preferred by his organisation is a challenge in itself. However when a leader is working on an international assignment, in a different country or even in project with people from

a mixture of different cultures then the challenge becomes even more difficult. The next section will describe how these leadership style vary across different countries and thus cultures.

Figure 1: The relationship between transformational leadership and work related out comes (Walumbwa and Lawler, 2003).

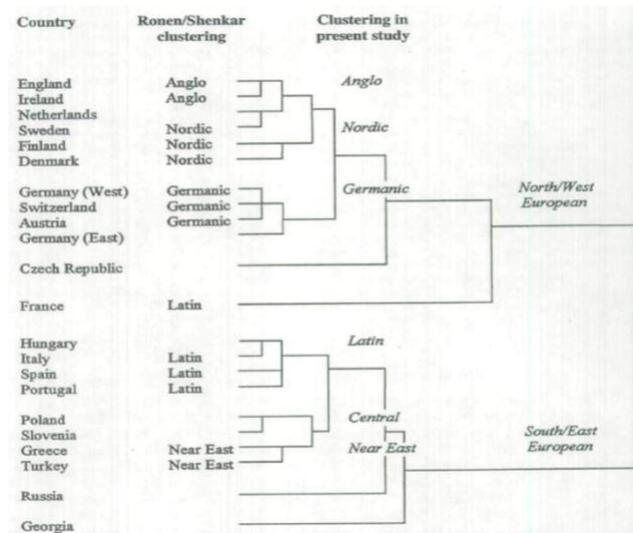


Comparing leadership styles across Europe

It is important for future expatriate leaders to comprehend that there are differences in leadership styles across the world, and it is unlikely that their leadership style will be effective without any adaptation in host countries. Expatriate leaders must identify and then adopt the preferred characteristics and behaviour - of the shared culture within the host country, subsidiary, or host organisation - in their leadership style accordingly in order to work with maximum efficacy. A study by Brodbeck *et al* (2000) provides very strong evidence demonstrating the different preferences in leadership style in different countries, hence different cultures, across Europe. Over 6,000 middle managers from 22 European countries across three different industries (food, finance and telecommunications) were surveyed using seven point scale questionnaires. The 22 European countries were selected and put into regional clusters. Table 2 shows which countries were selected and the clusters they were grouped in to. The authors claimed; the increasing difference between cultures, will result in the decreased likelihood that cross-cultural leadership styles will be accepted

and effective in host countries. Therefore it is important to understand different leadership styles in order to manage effectively in different cultures.

Figure 2: The European clusters. (Brodbeck et al., 2000)



The results of the preferred leadership styles in different cultures are displayed in table 3. The northern European countries preferred leadership styles with higher levels of equality and participation. This leadership style is similar to transformational leadership, whereas in the southern European countries there were indications of hierarchy resulting in the preference towards a directing leadership style (similar to the path-goal theory). This study shows how the different characteristics which contribute towards leadership style vary in the different clusters. It is also possible to see that there is a relationship between distances of countries and differences in their culture. In general the closer the countries are together, the similar the preference of leadership style. For example the Germanic cluster (Germany, Switzerland and Austria) have very similar leadership styles, as do the Anglo cluster (U.K. and Ireland). Brodbeck *et al* (2000) argue this similarity is partly due to the same language being spoken because language can be seen as part of culture. The Russian and the Latin cluster have many differences in the preferences of their leadership style and are also very distant from each other. However there was a characteristic - self centred - which was one of the least preferable characteristics in all the countries except Georgia. Characteristics like inspirational, visionary, integrity, performance oriented and decisive all

Culture & Leadership: How leadership impacts cross cultural management?

received high ranking in most countries. The authors conclude that different cultures do have different leadership styles and the higher the difference between cultures the higher the difference between leadership styles. Without understanding the cultural differences it is unlikely an expatriate leader will lead successfully in the host country. By understanding the hosts' country's culture it can help anticipate potential problems. Such research on different types of leadership has important benefits to help understand cross-cultural interactions; these should be exploited by leaders, managers, trainers and consultants (Brodbeck *et al* 2000).

Table 2.: The preferred leadership styles in different European countries, (Brodbeck *et al.* 2000)

Leadership prototypicality	North/West European region					South/East European region				
	Anglo	Nordic	Germanic			Latin	Central	Near East		
	(GB, IRL)	(SWE, NL, FIN, DEN)	(CH, GER/w, GER/e, AUS)	(CSR)	(FRA)	(ITA, SPA, POR, HUN)	(POL, SLO)	(TUR, GRE)	(RUS)	(GEO)
High positive (facilitates outstanding leadership)	Performance	Integrity	Integrity	Integrity	Participative	Team Integrator	Team Integrator	Team Integrator	Visionary	Administrative
	Inspirational	Inspirational	Inspirational	Performance	Non-autocratic	Performance	Visionary	Decisive	Administrative	Decisive
	Visionary	Visionary	Performance	Administrative		Inspirational	Administrative	Visionary	Performance	Performance
	Team Integrator	Team Integrator	Non-autocratic	Inspirational		Integrity	Diplomatic	Integrity	Inspirational	Visionary
	Performance	Performance	Visionary	Non-autocratic		Visionary	Decisive	Inspirational	Decisive	Integrity
	Decisive	Decisive	Decisive	Visionary		Decisive	Integrity	Administrative	Integrity	Team Integrator
	Participative	Non-autocratic	Participative	Participative		Administrative	Performance	Diplomatic	Team Integrator	Humane
Low positive (slightly facilitates)	Non-autocratic	Collaborative	Diplomatic	Collaborative	Inspirational	Non-autocratic	Collaborative	Participative	Participative	Inspirational
	Administrative	Diplomatic	Collaborative	Decisive	Integrity	Participative	Participative	Non-autocratic	Collaborative	Non-autocratic
	Diplomatic	Administrative	Self Sacrificial	Modesty	Team Integrator	Self Sacrificial	Non-autocratic	Self Sacrificial	Diplomatic	Self Sacrificial
	Collaborative	Conflict Avoider	Modesty	Autonomous	Performance	Modesty	Modesty	Modesty	Status Conscious	Status Conscious
	Modesty	Self Sacrificial	Humane	Humane	Visionary	Humane	Self Sacrificial	Humane	Self Sacrificial	Autonomous
	Self Sacrificial	Humane	Conflict Avoider	Decisive	Diplomatic	Status Conscious	Status Conscious	Status Conscious	Status Conscious	Modesty
	Humane	Modesty	Autonomous	Collaborative	Conflict Avoider	Conflict Avoider	Autonomous	Autonomous	Conflict Avoider	Conflict Avoider
Low negative (slightly impedes)	Autonomous	Autonomous	Status Conscious	Procedural	Self Sacrificial	Procedural	Conflict Avoider	Autonomous	Humane	Conflict Avoider
	Status Conscious	Status Conscious	Procedural	Conflict Avoider	Status Conscious	Autonomous	Face Saver	Procedural	Non-autocratic	Face Saver
	Procedural	Procedural	Face Saver	Face Saver	Autonomous	Humane	Face Saver	Face Saver	Procedural	Self Centered
					Procedural	Procedural			Face Saver	
High negative (impedes)	Face Saver	Face Saver	Face Saver	Status Conscious	Face Saver	Face Saver	Self Centered	Self Centered	Self Centered	Malevolent
	Self Centered	Self Centered	Self Centered	Self Centered	Malevolent	Self Centered	Malevolent	Malevolent	Malevolent	
	Malevolent	Malevolent	Malevolent	Malevolent	Self Centered	Malevolent				

Key: AUS=Austria, CH=Switzerland, CSR=Czech Republic, DEN=Denmark, FIN=Finland, FRA=France, GB=United Kingdom, GER/w=Germany, GER/e=former East Germany, GEO=Georgia, GRE=Greece, HUN=Hungary, ITA=Italy, IRL=Ireland, NL=Neetherlands, POL=Poland, POR=Portugal, RUS=Russia, SLO=Slovenia, SPA=Spain, SWE=Sweden, TUR=Turkey.

The study across European cultures and the preferred leadership style has its limitations. Even though the sample was quite large it only represents three industries across those selected countries. Thus it would be inappropriate to assume each of those countries have the same leadership style preference in every industry. Different industries demand different types of work; some are less structured than others and demand more guidance. For example I have worked for Network rail, and have had experience working on large projects. In particular I worked at Clapham junction which is Britain's busiest station. There were over 100 men on the site and project was a power upgrade, which was rather complex. In this situation the leader of our group took on a very autocratic and self centered leadership style, however despite his low popularity, the task was completed on time. Most railway projects I have worked on have been lead by an autocratic leadership style. However according Brodbeck *et al* (2000), the U.K. prefers a leadership style which is performance oriented, inspirational and visionary. The point of the example is to demonstrate that leadership style can also be determined by the type of work and the situation. It is important to acknowledge that research does help inform people about different cultures. However it does not necessarily provide an answer to how to lead effectively in different cultures and all environments? Thus for a leader it is essential to be aware that differences in different situations and environments exist and they require different combinations of characteristics in order to lead effectively; the aim of the global mind set.

The Social Identity theory

As more multinational enterprises (MNE's) undergo collaboration (with other MNEs), mergers, acquisitions and out sourcing they are increasing the likelihood of exposure to new cultures. At some point in time, it is very likely that two cultures with a history of conflict will meet. When bringing these two cultures together in the workplace, there is a high possibility that there will be conflict between employees, thus another challenge the leader must over come. It is important for an expatriate leader to be aware there may have been conflicts between countries in the past or even within the same country. A study by Chrobot-Mason *et al.* (2007) demonstrates how such conflicts can arise between different social identity groups which are usually divided by religion, race, ethnicity and region. When two conflicting identity groups or even individuals are brought together in the work place they can create problems which will result in poor work performance

or even lead to task failure, both for the group or the individuals. When such conflicts arise in the work place it is often expected to be dealt with by the leader or manager, their initial reactions can diffuse the situation or escalate it even more. This would be a challenge in itself, but it would be even more challenging if the leader is a member of one of the social groups.

The social identity theory states that we categorise ourselves into social groups, to help us identify our self image as well as others, while at the same time fulfilling our needs for inclusion and differentiation by belonging to social groups (Chrobot-Mason *et al.*, 2007). The attributes used to categorise individuals into social groups are called faultlines, for example race, religion, sex etc. The presences of faultlines are believed to be the driving force for creating discrimination between individuals and social identity groups. When biased individuals or groups come into contact then tensions increase and may result in conflict between social groups. Faultlines vary according to culture and geographic locations. The decategorisation concept proposes, interactions will be most effective when interactions between different social members are not category based, but individually based. This concept is very similar to transformational leadership theory and the leader member exchange theory (LMX- which recommends leaders relate to their followers as individuals).

Table 3: The different cultures when the Decategorisation, Recategorisation, subcategorisation, and cross cutting are models are most effective (Chrobot-Mason et al. 2007)

<i>Leader effectiveness in managing identity-based conflicts</i>		
<i>Leadership strategy</i>	<i>Collectivistic cultures</i>	<i>Individualistic cultures</i>
Decategorization (Person-based interactions)	Low effectiveness Social identity is salient, strong and less fluid; therefore, strategies that ignore or attempt to minimize group identity will be met with strong resistance and will influence leader effectiveness negatively in dealing with social identity conflicts.	High effectiveness Individual self-interests are given priority over collective interests and employees define themselves primarily based on unique characteristics and attributes. This strategy will likely be effective because it is focused on the individual.
Recategorization (Superordinate identity)	High effectiveness Accomplishing the goals of the collective group are consistent with the interdependent self-construal in a collectivist culture. This leadership strategy will be effective when employees identify with the organization and the leader.	Low effectiveness Since individual self-interest is of primary importance in individualistic cultures, leaders will likely only be effective using this strategy when the goals of the collective and personal goals are congruent.
Subcategorization (Nested subgroups)	High effectiveness This strategy will likely be effective (if social identity conflict is moderate or the strategy is used as a preventative measure) because group members are able to maintain their identity with the social group and are valued for their contributions based on this group membership.	High effectiveness This strategy will likely be effective (if social identity conflict is moderate or the strategy is used as a preventative measure) because individual contributions will be recognized and valued, which is consistent with an independent self-construal.
Crosscutting (Cross-group composition)	Low effectiveness This strategy will not be effective because shifting group boundaries are likely to evoke identity threat.	High effectiveness This strategy will be effective because greater emphasis and value is placed on individual contributions and unique characteristics.

Re-categorisation, sub-categorisation, and cross cutting are models which attempt to provide solutions for managing social identity conflicts. Re-categorisation reduces bias by extending perceptions of shared belief beyond in group members, thus trying to extend similarities between individuals beyond the social group. Sub-categorisation suggests that social conflict can be reduced by structuring inter-group contact in a way which produces clear distinction between each groups' task. However the group's roles must be complementary and both must contribute towards a common goal. The cross cutting model aims to minimise social identity conflict by either systematically or randomly involving members from both social groups. Participation of members from both groups needs to take place in equal amounts, in an attempt to remove social identity related to certain roles. This should produce the perception that both social groups and members are of equal importance. Table 4 summarises which particular cultures prefer the use of these models to be incorporated into the leadership style, to enhance effective leadership, (Chrobot-Mason *et al.*, 2007).

Global competence and the global mind set

The success of MNEs is largely determined by its leaders. Therefore it is vital for the MNEs that their leaders are able to lead in the global environment. The global mind set can be defined as “knowing how to live and work across cultures” (Briscoe *et al.*, 2008 : 216). The global mind set can also be defined as “the ability to develop and interpret criteria for business performance that are not dependent on the assumptions of a single country, culture or context and to implement those criteria appropriately in different countries, cultures and contexts” (Begley and Boyd. 2003: 25-26).

There are three main components of a global mind:

1. Think globally - when is global standardisation beneficial to an organisation.
2. Think locally – deepening the organisations understanding of local and cultural differences will lead to a global organisation.
3. Think globally and locally simultaneously, (Begley and Boyd, 2003).

Dutton (1999) purposes a list of criteria which need to meet in order to be develop a global mind set (figure 3).

Figure 3:Some of the components of a global mind set, (adapted from Dutton, 1999)

- YOU HAVE A GLOBAL MIND-SET
IF YOU DO THE FOLLOWING:**
- ✓ Have multicultural values
 - ✓ Base others' status on merit,
not nationality
 - ✓ Are as open to ideas from
other cultures as those from
your own
 - ✓ Are excited—not fearful—in
new cultural settings
 - ✓ Are sensitive to cultural
differences, but are not
limited by them —G.D.

All these attributes are very important when attempting to acquire a global mind set, but how does one actually go about developing a global mind set? The most effective way to develop a global mind set is to undertake an international assignment. This will expose the expatriate leader to a different culture, where they are likely to experience a cultural shock. This will force the expatriate to develop the coping skills and abilities needed to overcome the cultural shock, (Briscoe *et al.*, 2008), (similar to Stroh and Caligiuri (1998)). Stroh and Caligiuri (1998) claim the most effective method used by MNE's to enhance their leaders global competence is by sending them on international assignments to accumulate real life experience in different cultures. According to Caligiuri and Di Santo (2001), the global competence these leaders require can be defined in terms of dimensions, which are knowledge, ability and personality. These are also developed by international assignments. The most important dimensions to be improved by international assignments are highlighted in table 5. The authors conclude from their results; personality is unlikely to be influenced. Knowledge is enhanced and it greatly improves the skills and competencies of leaders, both on the international and domestic scene. Thirdly the leader's cognitions were adapted, making them more culturally sensitive and aware of the differences between cultures and different methods of business conduct, in host countries. As a result, successful international assignments improved the MNE's financial status and ability to successfully produce globally competent leaders (Caligiuri & Di Santo, 2001). Ultimately a global mind set

improves the knowledge, skills, ability and the entire capacity to conduct business on a global scale. A global mind set can be seen as a vital tool which future leaders need to acquire in order to successfully lead their organisation as it competes, or is preparing to compete on a global scale.

Table 4: The dimensions which are targeted on international assignments to enhance global competence (adapted from Caligiuri and Di Santo, 2001).

Dimensions	Proposed Developmental Goal
Ability	Increase an individual's ability to transact business in another country.
Ability	Increase an individual's ability to change leadership style based on the situation.
Knowledge	Increase an individual's knowledge of the organisation's world wide business structure.
Knowledge	Increase an individual's knowledge of international business issues
Knowledge	Increase an individual's network of professional contacts worldwide
Personality	Increase an individual's openness
Personality	Increase an individual's flexibility
Personality	Reduce an individual's ethnocentrism

Conclusion

Leaders are extremely important parts of an organisation; they can determine the success or failure of the organisation. Leaders who are driving their organisations into new foreign markets, must understand how business is conducted in the foreign market. Culture has a significant influence on business conduct and therefore its understanding is vital for successful business operations. As has been discussed earlier there is a vast diversity of cultures present and there are many challenges which leaders must overcome, in order to lead effectively. Using Hofstede four cultural dimensions can produce a starting point for understanding the host country's culture. Determining whether the host country is a collectivist or individualistic culture, can help the leader understand which leadership styles are preferred. The Study by Brodbeck *et al* (2000) provides strong evidence to

demonstrate that different preference of leadership styles exist in different cultures, and also demonstrates the characteristics preferred by different cultures as well as how distance between countries can also influence cultures.

Leadership is not innate and it can be learned and acquired. There are different preferences of characteristics and behaviour in leadership style which are largely determined by the local or organisational culture. These characteristics and behaviour need to be identified and developed by leaders. The social identity theory is an important theory for leaders to be aware of because it demonstrates the practical psychological behaviour of individuals. It can be used to help understand the cultural differences, and predict potential behaviour of employees as well as predicting the characteristics and behaviour of their preferred leadership style which needs to be adopted by their leader.

Even with a lot of experience, learning about host cultures and training to prepare for international assignments; one can never be completely prepared for the task ahead. The most important asset is to have a global mind set, which emphasises the appreciation of different cultures. Understanding the culture in one market or one or two organisations is great; however the development of a global mind set is about understanding and being prepared to adapt leadership styles according to multiple cultures, which is essential for effective for cross-cultural management or leadership. The global mind set changes the leaders perspectives about other cultures, their own culture and broadens there perceptions in their professional working life as well as social life. This broadened perspective should allow any leader or manager to be aware of different business practices and to understand them from the local point of view, anywhere in the world. In essence the global mind set can be acquired and developed. The global mind set changes individual's cognitions, making them more open minded. This broadens their perspective and collectively allows the individual to adapt to cross-cultural environments, ultimately enhancing the effectiveness of their leadership. So to answer the question directly and sum up the essay, a global mind set should be used to overcome the various challenges created by cultural differences, and lead effectively in cross-cultural management. The role of leadership is the backbone of successful organisations, because the nature of it involves so many organisational processes.

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