BUILDING STRATEGIC LEADERSHIP COMPETENCIES: THE CASE OF UNILEVER

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This article explores strategic leadership resources of a global firm doing business in post-Communist countries. The authors analyze Unilever's experience in building leadership competencies and discuss application of its "Leadership Growth Profile" concept to a specific Russian business environment. The article presents results of interviews with company managers and displays culture-specific adjustments to leadership development in Russia.

After the collapse of Communism in Central and Eastern Europe, global corporations aggressively moved into the new emerging markets shaped by radical transformation in economic landscape and institutional framework. These firms had to deal with motivations and behaviors of local employees, customers, and other major stakeholders that were different from traditional corporate experiences in industrialized countries. In order to respond to the challenges and effectively grow in the new markets, these firms had to adjust their global strategies to culture-specific environments and transfer valuable and proven management competencies into the region. While post-Communist countries with rich natural resources and a potential customer base looked very attractive, it soon became clear that the most complicated corporate tasks revolved around building effective human resource management systems, motivating employees for highly productive and innovative behaviors, and generating cohesive corporate culture and leadership competencies.

When compared to the other post-Communist countries, Russia displayed the deepest shifts in all spheres of economic and societal life. It thrived through the crisis of the 1990s with wild privatization, financial, and political instabilities, and moved into the 2000s by strengthening state capitalism, enlarging bureaucracy, and slowing down the development of democracy and a free market. However, the country has not been able yet to tackle deep and

painful problems of poor work motivation, corruption, and crime, and was slow in attracting large scale foreign direct investment to the areas beyond extraction industries.

Nevertheless a large group of global firms such as Ford, BP, Nestle, and Siemens succeeded in expanding into Russia via joint ventures, acquisitions of local firms, and developing greenfield operations, as well as adjusting to the country's culture-specific business environment (Shama, 1995, 2000; Arnold & Quelch, 1998; Hoskisson, 2000). These firms expressed strong interest in adjustments to the unfamiliar local environment (Ralston, 1997; Fey & Beamish, 2000; Rondinelli & Black, 2000; Engelhard & Nagele, 2003) and in advancing human resource management systems (Shekshnia, 1998; Fey & Bjorkman, 2001; Grachev, 2001; Minbaeva, 2003). Successful multinationals proposed internationally recognized competitive elements: various "packages" of motivation programs, broad employee participation in decision-making, encouragement of creativity, environments favorable to employees' continuous education, in-corporate training and self-improvement, and promotion of shared company values (Fey, 2000). International firms' experiences in Russia reinforced the belief that local managers were innovative and dynamic professionals. They clearly articulated values and shared them with the majority of employees. They underlined their commitment to long-term presence in the country and focused on key issues of social commitment, including charitable and educational activities, mutual respect, trust, encouragement of innovation and entrepreneurship, and equal rights and opportunities for organizational members.

Unilever is among the group of global firms successfully doing business in post-Communist countries. This Anglo-Dutch multinational conglomerate brings to the world a broad range of consumer products, from ice cream and foods to home and personal care. Created in the early twentieth century, Unilever has been selling products in 150 countries under leading brands such as Dove, Hellmans, Lipton, Axe, and Knorr, and its 175,000 workforce worldwide is generating $59 billion in annual revenues (2008).

Unilever achieved outstanding growth in the post-Communist markets, and in Russia in particular. With the Central and Eastern European headquarters in Moscow, today the company sustains a leadership position in Russia in dressings, spreads, ice cream, and deodorant markets, and is among top players in skin cleansing, hair and body care, household care, and savoury. Its success stems from the balanced attention to economic expansion as well as to strategic leadership competencies that added to competitive advantage and differentiation in those markets.

This paper explores practical solutions that support Unilever's market growth internationally, and in Russia in particular. It emphasizes the evolution of the corporate competency model, called the *Leadership Growth Profile* (*LGP*), in response to the global market change. First, the authors outline the framework for discussing strategic leadership competencies. Second, they review the competencies model at Unilever and discuss its *LGP* concept. Third, the paper identifies specific characteristics of the Russian management culture and its relevance to Unilever's business practices. Fourth, the article displays findings from interviews with Unilever corporate executives and 20 company managers in Russia. Finally, the authors summarize their findings and make suggestions for future research.

Leadership Competencies of a Multinational Firm

In the era of globalization, successful multinational firms capitalize on their global efficiencies (i.e., scale, scope, and location), multinational flexibility, and worldwide learning. In

the last decade, a group of multinational corporations such as IBM, Johnson & Johnson, 3M Company, and Unilever have been seriously considering behavioral resources, particularly leadership competencies, as a source for competitive advantage and sustainable strategic development. While universal standards in this area have not yet been developed, an intensive search for practical solutions in incorporating leadership competencies into corporate strategies has emerged.

The authors' approach to strategic leadership competencies in a global firm is based on several streams of independent research. In the field of strategy, we discuss the firm's core competencies and their role in market success. International human resource management researchers explore cross-cultural variations in global employment practices. And organizational behavior scholars analyze cultural convergence and divergence in international practices, expanding the traditional view of leadership to culture-contingent levels of analysis.

The authors respond to these research contributions and, in particular, consider the GLOBE integrated theory on culture, leadership, and organizations, which suggests that leader effectiveness is a function of interactions between strategic organizational contingencies and leader attributes and behaviors (House, 2004, pp. 17-19). Hence, they emphasize the critical link between the firm's corporate strategy and competencies revolving around leadership and develop a set of interrelated propositions (Figure 1). This framework extends traditional perceptions of leadership beyond top managers' traits or leadership styles to organizational learning and contribution to strategic corporate success.
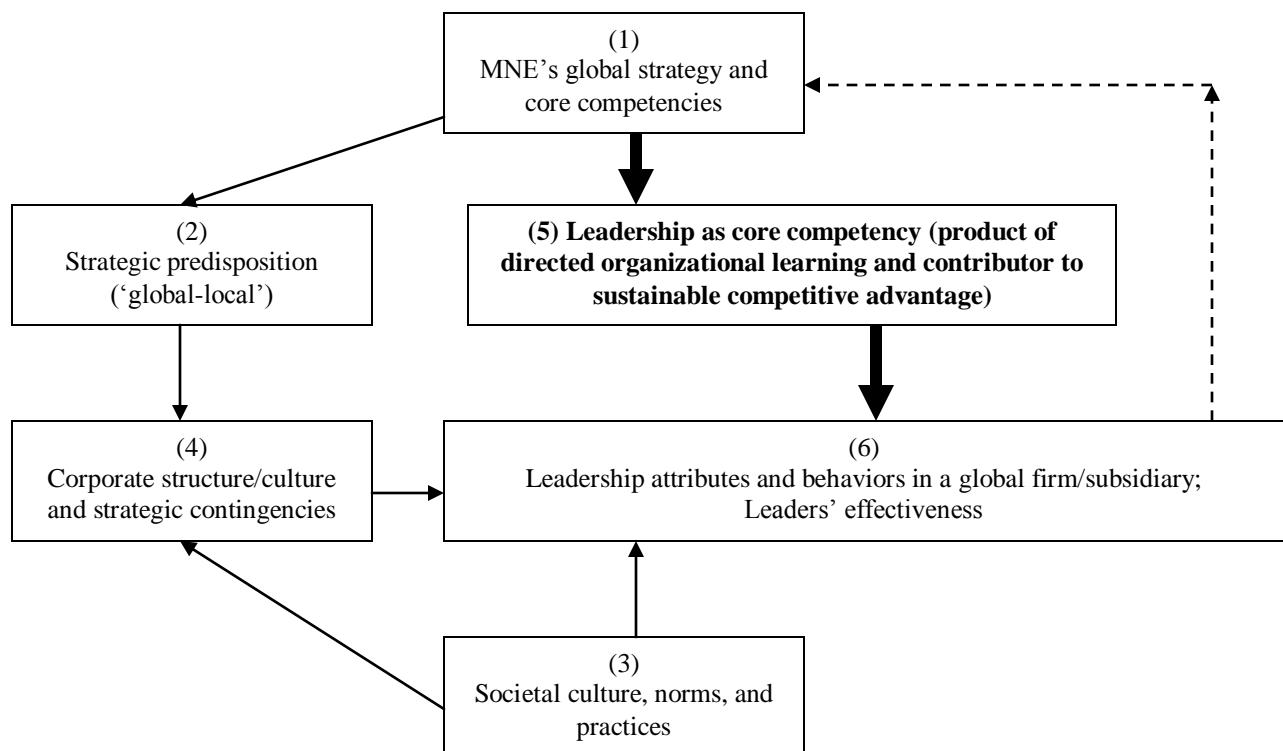

Figure 1: Theoretical Framework for Analyzing Leadership Competencies in a Multinational Firm

1. A resource-based view suggests that multinational companies build a competitive advantage by utilizing their tangible and intangible resources, including those directly related to human behavior in the organization (Barney, 1991, 1995). Core competencies—combined skills/behaviors developed through organizational learning, which are valued by customers (and consumers) and difficult to imitate by competitors—are viewed among the major strategic success factors (Hamel & Prahalad, 1990; Prahalad & Hamel, 1994).

2. Multinational firms respond to multiple international environments but express different response (sensitivity) to cultural issues in their subsidiaries depending on strategic configuration (from multi-domestic to global) and strategic predisposition (from 'ethnocentric' to 'geocentric') (Chakravarthy & Perlmutter, 1985; Doz & Prahalad, 1986; Bartlett & Ghoshal, 2002). This 'cultural sensitivity' influences a global firm's ability to overcome "cultural friction" and transfer competencies and ethical behaviors beyond national borders (Donaldson, 1996; Shenkar, 2001). That is why predictions based on cultural distance should be made with great caution to avoid simplification when global firms' cultures are directly associated with the culture of their home country. In particular, it is not advisable to look at the congruence in cultural values between a headquarters and its foreign subsidiaries with the prediction that high congruence would lead to competitive advantage before we understand the 'strategic configuration' of a multinational firm (Shenkar, 2004).

3. Global firms make adjustments to human resources policies, employee behaviors, and organizational culture while adapting to practices in the countries in which they operate (Adler, Doktor, & Redding, 1986; Schneider, 1988). They rely on cross-cultural comparisons to perform these adjustments (Hofstede, 1984; Rogovsky & Schuler, 1997). Business and societal environments in turn influence leadership behavior (Dunnette, 1976; Bass, 1981; Yukl, 1998). There is empirical evidence that entities which distinguish a given culture from other cultures are predictive of the practices of organizations of that culture, and predictive of the leader attributes and behavior that are most frequently enacted, acceptable and effective in that culture (House, 2004).

4. Organizational culture and practices also affect leadership behavior and leadership styles (Schein, 1990; Kotter & Heskett,1992).

5. Global firms that perceive leadership among core competencies strongly influence leadership behaviors and leadership development in their international operations. In successful multinational companies the concept of leadership is associated not only with traditional dimensions such as traits and styles, but has also been developed to the level of leadership competencies generated through the historic process of organizational learning and competitive advantage.

6. Leader effectiveness is a function of interaction between strategic organizational contingencies, leadership competencies, and leader attributes and behaviors. Leader attributes and behaviors that meet the requirements of strategic organizational contingencies will result in increased leader effectiveness (House et al., 2004). Hence, directed development of leadership core competencies in a global firm changes managers' behaviors and contributes to effective growth in the markets.

This framework sets the stage for the follow-up discussion on Unilever in Russia. It emphasizes interdependence of external (societal and cultural) and internal (strategic capabilities) factors in pursuing successful global strategy, and the role of specific leadership competencies in strategic development.

Unilever's Approach to Leadership

The fundamental approach to leadership at Unilever has been evolving in the last twenty years from traditional leadership development systems to the current sophisticated *Standards of Leadership* model, and it continues to evolve. During this evolution in the early 2000s, *Leadership Growth Profile* (*LGP*) emerged as the most important stage in bridging corporate growth strategy (*Path to Growth*) and leadership competencies.

Unilever's *Path to Growth* integrated strategy combined marketing, supply chain, customer development, and other key organizational assets. One of its primary targets was effective enterprise culture aimed at encouraging employees to demonstrate winning behaviors in the marketplace through their mindset, passion, and motivation. In the long run, the company was willing to knit major activities for (a) growth in the international markets with behaviors that deliver this growth, and (b) the use of leadership competency as an important tool in winning from the competition[1].

Unilever's *Leadership Growth Profile* was the most important component of strategic re-direction in the field of human resources. It combined the following elements:

1. To create a growth vision (growth served as the key criteria for employees' behaviors at Unilever);
2. To drive growth through implementation and to energize others for growth; and
3. To secure employees' commitment to growth.

By defining the new set of *LGP* competencies and using them for management development, performance reviews, and recruitment, Unilever tried to change managers' behaviors and to increase behaviors which were linked to achieving strategic goals for growth (Figure 2).
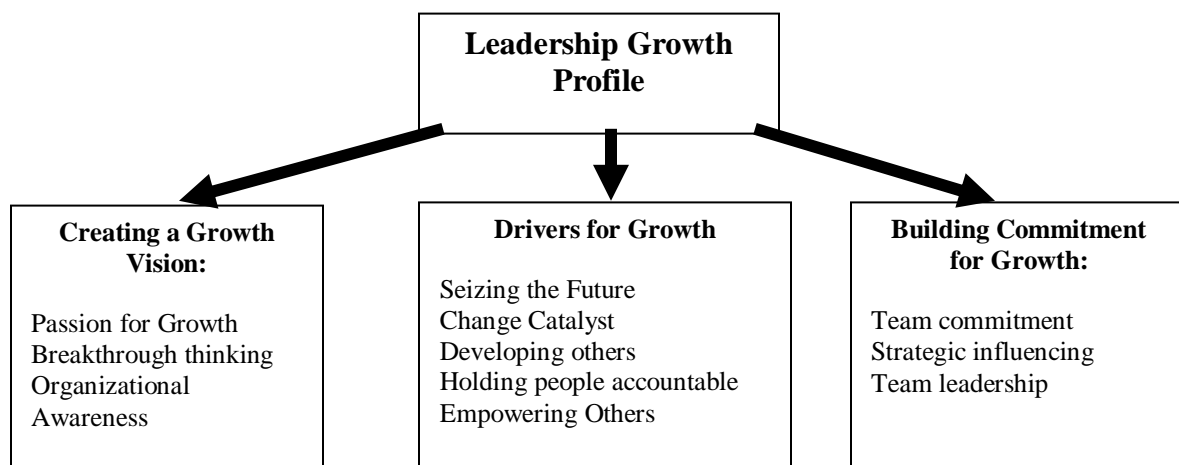

Figure 2: Unilever's Leadership Growth Profile

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[1] The follow-up discussion does not focus on corporate strategy but explores human resources practices, as well as leadership, aimed to achieve the winning strategy.

Unilever's *Corporate Purpose Statement* at that time described what Unilever "aspired to be, as well as expressed its values and beliefs" and pointed out Unilever's focus on local culture within a global framework. In this multi-local multinational company, foreign subsidiaries were able to draw on the resources of a global corporation and bring together global scale and local relevance. *Leaders Into Action* was one of the senior programs targeted at developing the behaviors aligned with Unilever's competency model. While measuring cultural change was not easy, the program was yielding tangible results. Employees and line managers both detected improvements in the *LGP*, and surveys indicated increased outcomes. Managers looked at things from different angles, were more aware of themselves and others, were more empowering and delegated more, were better at holding others accountable, were courageous and persistent, were more open and trusting, were more collaborative, and were better at coaching.

Unilever's fundamental strategic pattern for growth in Russia combined several key components, such as delivering sustainable value in large categories, trading the markets up, working the consumer pyramid, and building core competencies as competitive advantage. The critical element in this strategic effort was talent management with distinctive emphasis on developing great local business leaders. Turnover rates in the Russian subsidiary were below market average; and surveys were positive on effective behaviors. *Unilever Russia Academy* made a great start in developing Russian managers as the next generation of Russian business leader's.

According to former Chairman of Unilever Russia/Ukraine, it has been Unilever company-policy to actively foster the common-sense spirit and fruitful benefits that accrued with leadership, and specifically the distinctive leadership concept of "servant leadership," as a way of doing business. He emphasized the global need to develop business leaders who had a strong sense of ethics and morality. Citing his own company, Unilever, as a typical benefactor, this top executive emphasized servant leadership as not just the right thing to do, but as a business imperative. At Unilever Russia/Ukraine, management talked to its people about developing their vision and what they wanted to grow towards and applied servant leadership as a highly effective management tool, as well as a moral compass for dealing with and reducing some of the crises the corporate businesses faced in emerging markets.

Russian Business Environment from a Cross-Cultural Perspective

Unilever successfully applied its *LGP* concept to the Russian subsidiary; however, the company executives explained that success stemmed from its detailed, careful, and sophisticated approach to the Russian business environment and to understanding local management culture. In particular, cultural friction may impose constraints on partnerships with locals and support international companies' preference for wholly owned start-ups over acquisitions and joint ventures with Russian businesses. The gaps between values and behaviors may be critical in interactions between Western organizational leaders and those from Russia.

While the country's societal profile may display somewhat generalized patterns and miss the diversity and complexity of real life, it is extremely helpful in analyzing typical behaviors, interpreting stereotypes, and comparing activities and decisions between and among firms (organizational units of a global firm) from Russia and from the other countries. Selected cross-cultural comparative findings on Russian management culture were reported and discussed in the literature (Elenkov, 1997; Naumov & Puffer, 2000; Mikhailova, 2000; de Vries, 2000; May, 2005; Grachev, 2009). In particular, it was confirmed that cultural configurations strongly

influenced organizational practices and leadership effectiveness in the 1990s and created the basis for subsequent perceptions of societal changes in the 2000s.

According to the advanced Global Leadership and Organizational Behavior Effectiveness (GLOBE) research project conducted in 62 societies[2] (House, 2004), post-Communist Russia displayed quite extreme scores on Hofstede-type cultural scales[3] (Chhokar, 2004; Grachev, 2004; 2009). Russian behavior practices scored relatively very low on Uncertainty Avoidance, Future Orientation, Performance Orientation, and Humane Orientation, and very high on Power Distance and Gender Egalitarianism. Behavior and value scores on Institutional and In-Group Collectivism, Egalitarianism, and Assertiveness displayed some agreement, while the behavior and value scores on dimensions linked to economic and social transformation—such as Power Distance, Performance Orientation, Future Orientation, Uncertainty Avoidance, and Humane Orientation—showed visible gaps between practices and values.

Among the behavioral set of findings, the extremely low Uncertainty Avoidance score and rank could be considered favorable for entrepreneurial activities unless it is linked to a very low Future Orientation score. That could be interpreted as a lack of vision in management and entrepreneurship, as their primary focus is on survival and short-term business development. The low Performance Orientation illustrated the difficulty in encouraging managers to focus on continuous improvement and learning. Low ranking on Humane Orientation raised doubts about long-term investments in human resources. Meanwhile, high Power Distance scores explained the tough bureaucratic measures in crisis management and in restructuring enterprises and industries.

There was a wide gap between practices and values data on the dimensions linked directly to economic reforms. The "Should Be" profile displayed the deficit in and the preference

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[2] Based on quantitative data on societies and cultures; and quantitative data from responses to questionnaires obtained from 17,350 middle managers in 61 societies (including 450 mangers from Russia) GLOBE research operationally measured societal cultures by assessing questionnaire responses from those managers with respect to the values they endorsed and reports of behavioral practices. Cultural values and practices were measured on a 7-point response scale with respect to nine cultural dimensions that displayed high within-culture and within-organization agreement and high between-culture and between-organization differentiation. In a similar way, and consistent with the way leadership has been measured in previous research, GLOBE combined trait and behavioral descriptors to reflect relevance to leadership effectiveness.

[3] The GLOBE cultural dimensions design was based on previous works by Hofstede (1984) and McClelland (1985) as well as theoretical findings of Kluckhohn and Strodtbeck (1961), and Triandis (1995), and took into consideration the criticisms of these earlier efforts in cross-cultural research. The GLOBE summarized cultural findings along the following dimensions: Institutional Collectivism (degree to which organizational and societal norms and practices encourage and reward collective distribution of resources and collective action), Group Collectivism (degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families), Gender Egalitarianism (extent to which an organization or society minimizes gender role differences), Assertiveness (degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships), Power Distance (degree to which members of an organization or society expect and agree that power should be unequally shared), Performance Orientation (extent to which an organization or society encourages or rewards group members for performance involvement and excellence), Future Orientation (degree to which individuals in organizations or society engage in future-oriented behaviors, such as planning, investing in the future, and delaying gratification), Uncertainty Avoidance (extent to which members of an organization or society strive to avoid uncertainty by relying on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events), and Humane Orientation (degree to which individuals in organizations or societies encourage and reward individuals for being fair, friendly, generous, caring, and kind to others). Sufficient statistical procedures were applied to define the properties of the GLOBE cultural scales (House 2004).

for more humanistic, ethical, and democratic values. At the same time, there was no visible gap on dimensions strongly linked to historical cultural roots, such as In-group Collectivism. The Gender Egalitarianism practices score is positive and not significantly different from values. But when compared with the global trends, a relative decline in the importance of egalitarian values may create potential problem for Russia in the future.

The GLOBE research displayed the *profile* of an administratively competent Russian manager, capable of making serious decisions and inspiring his/her followers to meet performance targets. To some extent he/she relied on teams and, through diplomatic and collaborative moves, succeeded in integrating efforts of his/her members. However, in his/her actions there was not much interest in humane orientation to others or modesty in personal behavior. He/she could sacrifice a lot and did not care much about saving face. Altogether one might consider that Russia was seeking its own way for effective leadership concepts and practices (Grachev & Bobina, 2006).

Empirical Design and Major Findings

To better understand how global companies adjust to the cultural environment in Russia and succeed in emerging markets, the authors focused on the case of Unilever. The monitoring of the firm's cultural and leadership practices began in 2001 and continued through 2009 with thorough data collection, executive interviews, and management surveys.

In order to test leadership competencies frameworks in a global firm, they followed a traditional approach to qualitative data collection and ethnographic fieldwork (Miles & Huberman, 1994; Uzzi, 1996). First, the authors tried to understand how Unilever's management personnel perceived Russian societal culture and adjusted behaviors to that culture. For this purpose they interviewed the expatriate HR Director at the Russian subsidiary. Second, the authors surveyed 20 managers of this subsidiary who were native Russians in order to understand the priorities in competency building as well as cultural peculiarities in those perceptions. Third, the authors combined market success and leadership development data to support the direction of strategic leadership competencies building.

Linking Culture to Strategy

In order to explore cultural characteristics of the Russian business environment and to link behavioral data to strategic decision-making, the authors interviewed the company's Human Resources Director using GLOBE findings on culture and leadership. On each GLOBE dimension, this manager was asked two sets of questions. The first set of questions asked if the Russian scores on each cultural dimension had provided a strategic advantage or strategic disadvantage to Unilever. The second set of questions was linked to the first one: if it provided an advantage, did Unilever make an effort to capitalize on this, or not? If it provided a disadvantage, did the company try to respond and correct this, or not? This interview displayed the perception of advantages and disadvantages of the Russian cultural profile to Unilever's strategy (Figure 3).

Collectivism, both Group and Institutional, was prioritized as an *advantage*. The company's Human Resources Director positively assessed the ability of Russian managers and employees to work in teams and to follow group norms, to share achievements widely, to integrate efforts, and to build organizational commitment. Unilever developed a sophisticated

system to exploit this factor and to motivate high loyalty of its Russian managers, sometimes pushing them to sacrifice individual interests. An environment with high Collectivism helped Unilever to combine innovative efforts within the company and target specific groups in the markets. The interviewee, however, indicated an unusually high influence of trendsetters within the Russian collectivist environment.

GLOBE BEHAVIORAL SCORE/RANK FOR RUSSIA	IS THIS SCORE PERCEIVED FOR UNILEVER AS ADVANTAGE (+) OR DISADVANTAGE(--)?	IF ADVANTAGE, DOES UNILEVER CAPITALIZE ON THIS (+ +) OR NOT (+ --)? IF DISADVANTAGE, DOES UNILEVER CORRECT/RESPOND TO THIS (-- +) OR NOT (-- --)?
Uncertainty avoidance VERY LOW (2.88/61)	**DISADVANTAGE** (-) Bureaucratic rituals choke initiatives	**CORRECT/RESPOND** (--+) Simplification initiatives choke in forms
Performance orientation VERY LOW (3.39/59)	**ADVANTAGE** (+) Reward & recognition have a big impact	**CAPITALIZE** (++) Individual reward & recognition are strong motivators
Future orientation VERY LOW (2.88) RANK 61	**DISADVANTAGE** (-)	**CORRECT/RESPOND** (--+) Being better than competiton in this field brings competitive advantage
Assertiveness LOW (3.68) RANK 54	**DISADVANTAGE** (-) Expatriates have too big a voice	**CORRECT/RESPOND** (--+) e.g. selection of assertive Russian staff for promotions
Group/family collectivism HIGH (5.36) RANK 17	**ADVANTAGE** (+) Big impact of trendsetters	**CAPITALIZE** (++) Targeting products + advertising at very specific groups
Gender egalitarianism VERY HIGH (4.07) RANK 2	**ADVANTAGE** (+) Women make buying decisions	(+--)
Humane orientation LOW (3.94) RANK 37	**DISADVANTAGE** (-) Resistance to teamwork – western style	**CORRECT/RESPOND** (--+) Naming teamwork as a key behavior
Power distance HIGH (5.52) RANK 14	**DISADVANTAGE** (-) People are still hiding their good ideas	**CORRECT/RESPOND** (--+) Open management style
Institutional collectivism HIGH (4.50) RANK 17	**ADVANTAGE** (+)	**CAPITALIZE** (++) Creating space to share achievements widely strengthens connection and committment

Figure 3: Perception of GLOBE Scores of Russian Societal Culture at Unilever

Unilever's Human Resources Director emphasized low Performance Orientation as the other advantageous cultural attribute. The low score on this dimension reflected the heritage of the previous command system and painful realities of economic transition. It was difficult to change motivation in a short period of time. However, the interviewee explained that additional performance-oriented rewards and recognition had an enormous impact on personnel, and Unilever used those motivators effectively.

Some other factors displayed distinctive Russian cultural *disadvantages*. One such area was low score on Uncertainty Avoidance. Unilever tried to correct the negative influence of this factor by providing clear corporate guidelines, and by avoiding ambiguous bureaucratic practices. The low score on Assertiveness was also considered a significant negative factor. The interviewee explained this score by widespread conformism and lack of leadership initiative. To balance the negative impact of this factor, Unilever designed specific programs encouraging initiative and selecting assertive Russian managers for a fast career track. The interviewee considered low Future Orientation to be a negative factor for business in general, but emphasized that this pattern generated a relative advantage to Unilever. The company was trying to

strengthen future-oriented behaviors in the subsidiary, thus making such orientation an advantage over less future-oriented local competitors.

This in-depth interview emphasized visible behavioral areas perceived as contributors or impediments to effective and productive growth in a specific Russian business environment.

Defining Leadership Priorities for the Russian Cultural Environment

The main input in the second stage of research was based on interviews with 20 managers of Unilever's Russian subsidiary. It focused on what Unilever defined as middle management, covering managers and directors in leading positions with work experience of at least 3 years in marketing, sales, or functional responsibilities.

Respondents represented Unilever's Worklevel 2 (15 managers) and Worklevel 3 (5 managers), levels in the organizational structure that define middle management. Their average age was 36 years. Fourteen managers were women, and six were men. They represented different functional areas, such as marketing (6), sales (4), finance (4), supply chain (1) and human resource management (5). Managers' industry/market affiliations were defined as Foods (4), Home and Personal Products (3), or both (13). The interviewees were native Russians with good command of English language (only one was not fluent English but could effectively communicate with translator/interpreter's assistance), responsibility for a team, assignment of another organisational unit, and having lived abroad for less than three years (to ensure that they were not influenced too much by other cultures). Out of 20 transcripts, 19 were valid, and in those interviews 51 (business) cases were used and transferred into behavioral indicators, which could be further categorized into competencies. All interviews were conducted in English and tape-recorded for detailed analysis and validity.

In the interviews, the authors focused on the following questions in each of the 51 cases: Which leadership competencies lead to business success? Were the competencies which lead to business success part of Unilever's *LGP*? Were the competencies which lead to business success country-specific for Russia?

The interview format was based on the *Behavior Event Interview* (BEI) technique that permitted assessing and predicting future effectiveness of leaders (Dunnette, 1976). The interviews were semi-structured and focused on examples/cases, at least 2 per interview, which visualized the behavioral aspects of successful business achievements. Based on the business examples/cases given in the interviews, behavioral indicators were written down and translated into competencies.

The authors encouraged the interviewees to talk about business success cases. To make sure these cases were real and the interviewee had an actual role in the business success case they described, the authors used respondents' Personal Development Plans (PDPs), workplans, and actual business performance data for verification purposes. To increase reliability, four interviews were analyzed by a second expert person: a manager from Unilever with a psychology degree. In this way, the inter-observer reliability was checked. The external expert analyzed the tapes, wrote down the critical behavior indicators, and matched those behavioral indicators with one of the competencies. Having conducted the interviews and analyzed the transcripts, the authors sent a report to the Russian subsidiary Human Resources Director for comments, approval, and feedback.

With a corporate leadership competency dictionary, the authors constructed the set of leadership contributors/factors to business success (Figure 4). The eleven *LGP* competencies

were added to this list. Those eleven competencies were set upon the extensive benchmarks of those Unilever leaders who delivered high growth figures in different units and subsidiaries.

Core leadership competencies	Competencies which lead to business success in Russia
(1) Unilever Leadership for Growth Profile (*LGP*) Competencies	
Holding people accountable	9
Seizing the future	5
Passion for growth	6
Breakthrough thinking	3
Change catalyst	1
Strategic influencing	1
Team leadership	0
Developing Self and others	0
Empowering others	0
Team commitment	0
Organisational awareness	0
(2) Competencies other then *LGP*	
Building sustainable relations	8
Building Confidence / trust	7
Human care	5
Build Commitment / ownership	4
Out of the box thinking	1
Action Oriented/risk taking	1
Teamwork (common, different from team commitment or team leadership which is more individualistic)	0
Create a clear and shared vision	0
Total:	51

Figure 4: Unilever's Russian Managers' Responses to the Survey on Leadership Competencies. These scores represent how often the competencies were derived from observed behaviors as distinctive factors for business success.

The survey displayed valuable results. About 50 percent of leadership competencies identified by Russian managers directly related to one of the 11 *LGP* competencies. This reflected the validity and instrumentality of *LGP*. The other half of standardized competencies that lead to business success could not be classified as *LGP* competencies.

In the first group, three competencies were scored most frequently: 'holding people accountable' (9), 'building sustainable relations' (8), and 'building confidence/trust' (7). This

reflected the relational nature of Russian business practices with high Power Distance and low Uncertainty Avoidance. Relatively low scores on 'seizing the future' (5), 'passion for growth' (6), low 'strategic influencing' (1), and ignoring the competency 'creating a clear and shared vision' (0) supported the low Future Orientation score. Modest results on 'human care' (5) reflected the moderate Humane orientation in the Russian societal culture.

Low scores on the 'action oriented/risk taking' (1) competency reflected low Assertiveness. Lack of interest in 'developing self and others' (0) and 'organizational awareness' (0), as well as the low score on 'change catalyst' (1), reflected low Performance Orientation in societal culture.

What came as a surprise in this study was the ignorance of collectivism and team orientation, which is critical to effective leadership worldwide and traditional to the Russian societal culture. In particular, there was no expression of interest to 'team commitment' (0), 'team leadership' (0), 'empowering others' (0), or teamwork (0). This raised serious questions about the nature of leadership in the current transitional Russian business environment and about additional efforts that global firms should invest in teamwork. A possible explanation is that respondents' average age of 36 suggests they invested in their education and were the first post-Communist generation, which may have made them more focused on their own achievements and careers. Individual scores were higher then team scores, matching more the perceived Western values.

Conclusion

In this paper, the authors explored the importance of leadership competencies as contributors to successful corporate growth in multicultural environments. They proposed theoretical framework that emphasized the value of the leadership competency model and further explored this framework in the global firm. The overview of the evolution of Unilever's practical approach to leadership competencies and the detailed analysis of *Leadership Growth Profile* concept helped to better understand the link between strategy and desired managers' behaviors that lead to strategic success.

The authors investigated the application of the leadership competency model in a specific cultural environment, namely in the post-Communist Russian business landscape. They relied on the GLOBE advanced cross-cultural study of managers' behaviors and values in 62 societies and on cultural characteristics of Russian management derived from that study. They observed that an effective company adapts its policies to the environment (within a global framework) and that not all instruments for leadership competency that have traditionally been considered as universal worked successfully in a country-specific situation. This in turn confirmed the contingent nature of leadership competencies.

The other valuable contribution of this study was the detailed description of the cultural profile of emerging markets. The authors summarized the most critical attributes of Russian culture that managers of multinational companies should take into consideration. The new data offered a better understanding of how culture moderates relationships between organizational processes and leadership effectiveness, and how it could frame collaborative strategies by taking into consideration the positive components of a country's cultural configuration and benefiting from them. But adapting and modifying Western know-how and best practices to fit a specific Russian environment required a great deal of patience and knowledge.

The paper confirmed previous studies about global firms' difficulties in cultural environments with visible gaps between typical behaviours and perceived managers' values. The authors emphasized these cultural gaps and interpreted consequences for companies doing business in post-Communist environments such as the Russian environment.

A framework which takes both business environment and culture into consideration is recommended for organizational middle managers. Key principles of this framework are:

1. To focus on leadership competencies which lead to business success in a particular cultural environment;
2. To differentiate and to add competencies depending on culture-specific business and functional needs, even if they may not be a part of the corporate core competencies; and
3. To balance between competencies that are needed to achieve the global corporate strategy and competencies that are necessary to achieve daily operational business success of a foreign subsidiary.

In sum, the authors recommend learning from the advanced and successful experiences of global firms such as Unilever about interrelationships between leadership competencies and winning strategies. They suggest further exploration of theoretical bases, as well as empirical evidence that supports these interrelationships.

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