

# From Locally Good to Globally Great: The Role of Dynamic Leadership in Global Team Building

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by Michael B. Russell

*Globalization*, we are finding out, does not imply any perceived form of homogenization, it means we now have to deal with difference directly, instead of at a distance. Philosopher Reinhold Niebuhr made this statement:

*The same strength which has extended our power beyond a continent has also . . . brought us into a vast web of history in which other wills, running in oblique or contrasting directions of our own, inevitably hinder or contradict what we most fervently desire. We cannot simply have our way, not even when we believe our way o have the “happiness of mankind” as its promise.” (Kaplan, p. 60)*

Here is the central question: How can we cope with enormous diversity, and complexity of cultural differences, and still remain successful? If an organization seeks to expand into a global market, what are the factors that have the biggest impact on global team design? What barriers must be overcome to achieve organizational goals? What change will organizational leaders need to make to adjust to the socio-technical systems to accommodate a new way of doing business?

## **Learning What to Learn is the Key**

Today, nowhere on earth is truly remote. We are seeing that organizations are increasing their operations globally through formation of alliances, joint ventures or subsidiaries. The pressure to go global has been enormous for several reasons such as: access to new markets, localization of products, access to scientific talent and human resources as well as exploitation of diverse capabilities of people across the globe. It is about survival. Further, they have realized that organizational and geographic boundaries no longer need to prevent employees from working on complex projects that give them a competitive edge (Prasad & Akhilesh, 2002). Whether we see

ourselves as competitors or collaborators in this new global environment, we are generally ill-equipped for the demands of taking an organization global. It is one thing to recognize differences on the television screen, but quite another to have to face the challenges of organizational leaders transitioning to a global environment (Nolan, 1999).

I reside in northwest Arkansas near the Wal-Mart Home Office. Beneath one roof there are 20,000 workers from all over the world, each with different skills, different languages, different cultures, and different mindsets. Skill in technology, finance, and management will always be important, but how people of different backgrounds learn to work effectively together, to manage difference productively, is undoubtedly the prime challenge for the coming century. The ability to learn within a multifaceted context and to translate learning into effective decisions will become the key to global success for both individuals and organizations. The ability to function in another culture doesn't just require knowledge, but the development of a cross-cultural mindset (Nolan, 1999). It is the uniqueness of developing the ability to see the world through someone else's eyes that will become the pivot-point of global success and understanding.

A cross-cultural mindset helps you look behind facts and figures to uncover meanings and patterns, to learn in unfamiliar surroundings, and to gain entrance into the cultural worlds of others. As Dean Barnlund (1975) stated: "To grasp the way in which other cultures perceive the world, and the assumptions and values that are the foundation of these perceptions, is to gain access to the experience of other human beings." (p. 27-96)

### **Breaking Out of the Traditional Mold**

Let's consider some of the psychological factors that will hinder most organizations from being successful in the global market. First, some companies feel as though they are locked in a prison of local standards because of the gap between technical requirements and design norms at home and world-class standards abroad. If financial demands within the home office are strong, managers then can reasonably postpone the investment capital necessary to become internationalists because they have become so blinded by domestic success they fail to see the liability of their complacency.

There is another barrier trap companies fall into as they consider the global market. Even though their products and services are already widely accepted within their peripheral location,

management becomes either unaware of the company's global potential or too debilitated by self-doubt to see global opportunities (Bartlett & Ghoshal, 2000). Kodak is an example of failure to adjust to a changing market, failure to seek global opportunities, and failure to recognize the threat of a global competitor moving into their market and seizing market share.

A final complacency derives from a limited exposure to global competition, leaving them overconfident in their abilities or blind to potential dangers. Often it is a push from abroad that will shake an organization into reality. Take for example Korean electronics giant Samsung. In 1990, Samsung was struggling to expand into overseas markets even though its products were technologically equal to its competitors. The problem was that most of Samsung's managers were either unaware of or denied the existence of negative consumer perceptions abroad, largely because Samsung's products were doing so well in Korea. To force the company to deal with the problem, chairman Kun-Hee Lee flew 100 senior managers to the United States to show them how Samsung's products were being treated. The visit was traumatic. In prominent storefronts were Sony, Panasonic, Toshiba and other prestigious companies. Samsung was located in the back of the store on the bargain sale tables gathering dust. The moment of truth arrived and the executives immediately initiated a series of actions that eventually led to a major turnaround of Samsung's global consumer products business.

If companies are to use international expansion as part of their business plan, they also need to invest in the management capabilities of their overseas units to provide pull from abroad. Companies need offshore champions—often senior executives from the target market—who can provide expertise with credibility and confidence, both internally and externally. Strong and credible voices from abroad can greatly increase the likelihood that emerging multinationals will have the courage to transfer organizational assets, resources, and influence from outside their home country.

A good example is the insurer AFLAC domiciled in Columbus, Georgia. Japanese companies are successful operating in other countries, but foreign companies operating in Japan have not been as successful. An exception is the insurer, American Family Life Assurance Corporation (AFLAC). Over 75% of its revenues are generated in Japan. Nevertheless, when AFLAC's chief information officer initiated a joint development information systems project with a newly established Japanese branch, he faced many difficulties. Moving to Japan to facilitate this project, he found the management process perplexing in terms of communication, office politics, and cultural differences. He discovered working with the cultural differences included teamwork, and working with these differences was

essential to the success to the AFLAC multicultural corporation (Stephens, 1995). Instead of trying to implement western business tactics on the Japanese culture, he blended them into the Japanese culture with the assistance and guidance of local executives to guide him through the cultural process.

### **The Search for Global Efficiency**

The motto of the Chicago World Fair in 1933 made this statement: “Science finds, industry applies, man conforms.” The linear science technology thought process of the early century no longer works today. But, three-quarters of a century after the Chicago World Fair, technology is still influencing our society, yet the number of actors who wish to be involved in technology choices is now far greater. The practical application of adopting a socio-technical systems view of organizational improvements is aimed at improving efficiency with early consideration of operational system changes bottlenecks which will identify specific areas that will reduce the efficacy of these changes. Harris (2006) writes that the term “efficiency,” in this context, is difficult to define. Traditionally, a treatise of this type should start with a dictionary definition, for example:

- “Efficiency n. The quality or degree of being efficient”
- “Efficient a. ... productive of desired effects; especially: productive without waste.” (Webster’s Third New International Dictionary).

In the context of global organizational expansion and team building, “efficiency” is most often, either directly or indirectly, related to cost; “waste” refers to a waste of time or money. However, for the sake of organizational “efficiency” it can be stated, “Good human factors will not significantly increase efficiency by itself and on its own, only small incremental gains may be made.” A wider, socio-technical perspective needs to be adopted before any true efficiency gains, incorporating good human factors, can be realized. Some structure is essential for success. The primary aim is to design a work structure that is responsive to the task requirements of the technology and both social and psychological needs of employees, a structure that is both productive and humanly satisfying (Cummings, 1978).

### **Recognizing Cultural Personalities**

As companies go global, they are finding that they have to be able to be adept at managing certain tensions and personalities: between global and local, between differentiated and integrated and between many cultures and one organizational culture. The ability of a global company to manage

and juggle multiple tensions depends primarily on the skill of its top leadership team (Thomas, Bellin, Jules, & Lynton, 2012). In a recent study, Thomas et al. (2012) established the three essential attributes of global leadership teams:

- Global leadership teams need a clear charter and operating principles in order to keep them focused and to enhance their ability to speak with one voice.
- Top teams need to be agile; that is capable of adjusting the way they think and whom they draw into the decision making processes.
- Global top teams need to “change ahead of the curve,” often ahead of the rest of the organization, in order to lead others into an uncertain future.

Global virtual teams face similar challengers as traditional home-based teams, but these dispersed work groups face unique issues. This stems from the belief the CMCS (such as, desktop video conferencing systems, email, group support systems, internets, and intranets) used to link team members across time, space, and organizational boundaries represent fundamentally new types of mediums “with their own advantages, disadvantages, social dynamics, problems, and opportunities” (Hitz & Turoff, 1985).

Another challenge is that heavy dependence on technology requires a high monetary investment on the part of the users to gain proficiency with new information technologies. Given the differences in individual predispositions to learn new technologies, participation on virtual global teams may be highly biased toward those individuals skilled at learning new technologies, and against those who experience technophobia (Townsend, de Marie, & Hendrickson, 1998).

Soloman (1995) writes,

*The fundamentals of global team success aren't very different from the practices that work for domestic work teams. But there are variables. Overlay cultural behavior and expectations on the roles of communication, team leadership and group dynamics, and you immediately understand. Moreover, there are logistics to overcome; challenges inherent in working in different time zones, lots of travel, and busy conflicting schedules. (p. 55)*

These arguments suggest that certain leadership roles may be particularly important in interactive virtual team settings. First, leaders must be able to build and maintain the social climate necessary for ensuring adequate levels of team unity and cohesiveness (Kayworth & Leidner, 2002).

Second, the role of managing/coordinating the communication process may take on heightened significance given the challenges mentioned by Kayworth and Leidner (2002). The potential importance of these two roles suggests that virtual team leader effectiveness may be a function of the ability to display these roles simultaneously within the confines of a virtual team setting. Effective global team leaders will have teams that are satisfied with the communication, understand their roles, and perceive communication effectiveness. It is to be expected that global teams with effective leaders will produce more effective results.

It's all about survival.

### About the Author

Michael B. Russell is a licensed insurance consultant specializing in non-profit and religious organizations. He conducts numerous seminars designed to address the business side of the church focusing on areas such as sexual-misconduct, transportation, facility management, and more. He holds a Master of Business Administration degree from the Webster University School of Business and Technology and a Master of Arts Degree in Communication from the Fulbright College at the University of Arkansas. He is currently completing his Doctor of Strategic Leadership at Regent University in Virginia Beach, Virginia.

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