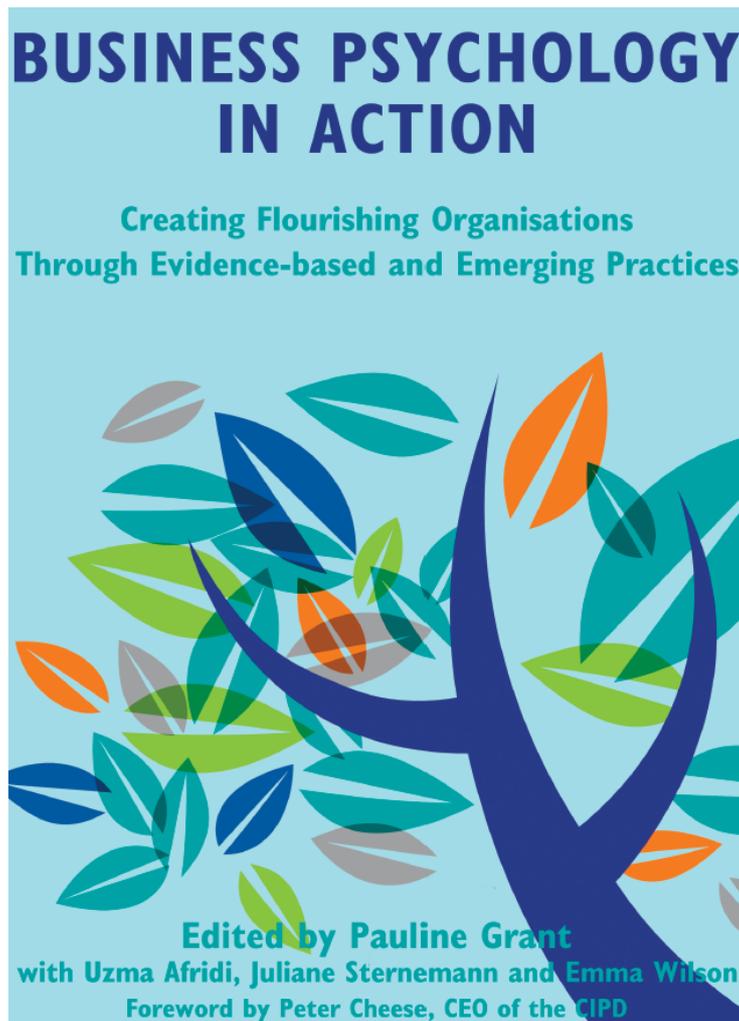


# Global Leadership Development: Challenges and opportunities for psychologists

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## The Context

In the current global economy, organisations with international interests need to operate successfully across geographic markets characterised by increasing competitiveness, complexity, uncertainty, ambiguity and inherent cultural differences. Many strive to achieve (or consolidate) 'world-class' status by providing the highest possible quality of goods or services in a commercially competitive manner while being timely, ethical, socially responsible and – naturally – highly profitable.

Within this context, the ability to attract and develop leaders that not only operate effectively but also influence and motivate people at a global level provides a key competitive advantage (Caligiuri & Tarique, 2009).

Global leadership that delivers high performance requires the competencies, potential and talents of a diverse set of people. Holt and Seki (2012) note the lack of convergence of global leadership definitions in the literature and conclude that it is not intrinsically hierarchical: a global leader is "anyone who operates in a context of multicultural, paradoxical complexity to achieve results in our world" (p. 199). Mendenhall et al. (2012) provide a more comprehensive definition stating that global leaders are "individuals who effect significant positive change in organizations by building communities through the development of trust and the arrangement of organizational structures and processes in a context involving multiple stakeholders, multiple sources of external authority, and multiple cultures under conditions of temporal, geographical and cultural complexity" (p. 17).

Global leadership development comprises activities that assist leaders of global organisations to develop the critical competencies required to ensure business success. The many models available differ according to four theoretical perspectives adopted by researchers and practitioners:

- (1) Focus on acquiring a 'global mindset' (Javidan & Teagarden, 2011);
- (2) Derived from the intercultural sensitivity literature and developmental theory rather than competencies (Hammer et al., 2003);
- (3) Models based on constructive development theory (McCauley et al. 2006);
- (4) Approaches using a positive psychological capital (PsyCap) perspective (Vogelgesang et al., 2014).

Holt and Seki (2012) summarise the eight most common methods of developing global leaders:

- (1) Experience – trial and error;
- (2) Assignments – international, team, early career and stretch assignments, rotations and exchange programs;
- (3) Projects – global virtual teams, task forces, action learning groups and long-term project work;
- (4) Training – intercultural communication, language, negotiation and conflict resolution, target skills, interactive cases and using videotapes;
- (5) Coaching – executive coaching, mentoring, feedback and cultural guides;

- (6) Assessment – 360 degree feedback using global leadership assessment, cross-cultural assessments, assessment centres, cultural simulations and role plays;
- (7) Networking –multicultural associations, annual global leadership conferences, staying connected via skype, social learning;
- (8) Personal development plans.

Cross-cultural competencies are more relevant to global leaders than those with traditional/domestic roles (Mendenhall et al., 2013). They are, however, relevant to leaders working within a multicultural environment in their own society. In modern economies this is now the norm and has resulted in an increasing number of workplace initiatives aimed at managing and leveraging cultural diversity. This, coupled with demographic shifts towards a diverse, multigenerational workforce, has elevated global leadership development to being the top strategic challenge faced by organisations around the world.

House et al. (2014) report that to maintain fluency and flexibility leaders facing complex global challenges must develop the capacity to innovate and inspire others. In addition, they must be sufficiently agile to familiarise themselves with rapidly changing technologies and disciplines. According to Lane and Maznevski (2014), the main challenge faced by global leaders is not dealing with the ‘global’ context *per se* but the added complexity this represents for them. This includes influencing individuals and groups (who represent diverse cultural/political/institutional systems) to help achieve their corporation’s global ambitions. Osland et al. (2012) emphasise that the most effective global leaders can manage multiplicities, tackle huge challenges, grapple with instability and navigate ambiguity.

Mendenhall et al. (2013) provide a comprehensive review of the six main categories of global leadership constructs and competencies, a summary of the main global leadership development models available, and a detailed comparison of the 12 most researched intercultural global leadership assessment instruments.

I will substantiate the need to consider leadership and leadership development from this global perspective and outline the implications – challenges, opportunities and benefits – for business psychology practitioners and our clients. I will also propose a global leadership model supported by the experiences and research that have informed my thinking.

## **The Future**

*Foresight analysis, with globalisation identified as the major megatrend that will dramatically impact organisations in the future, indicates that Asia is expected to dominate the global economy (National Intelligence Council, 2012). Predictions for 2014 included a new and urgent focus on growth and building global leadership as organisations struggle with leadership gaps at all levels (Bersin & Deloitte, 2013), and the need for leadership development programs from a global perspective worldwide (Deloitte & Bersin, 2014).*

As predicted by Heifetz et al. (2009), leaders across sectors and industries around the globe face increasing adaptive challenges. To successfully address these Petrie (2014) identifies four relevant trends:

- (1) More focus on 'vertical' development as opposed to the mere acquisition of competencies;
- (2) Transfer of greater developmental ownership to the individual;
- (3) Increased focus on collective rather than individual leadership;
- (4) Greater focus on innovation in the design and delivery of leadership development methods.

The stages of 'vertical' development mentioned above are based on Kegan's (1980, 1994) seminal work on constructive-developmental theory which has been adopted by various leadership frameworks (McCauley et al., 2006). Kegan's (1980) theory refers to a stream of psychological work that focused on the development process of meaning and meaning-making throughout an individual's life. This stage theory of adult development proposes that, to understand the self and the world, individuals advance through five sequential and hierarchical stages or orders of mind:

- (1) Impulsive mind;
- (2) Instrumental mind;
- (3) Socialised mind;
- (4) Self-authoring mind;
- (5) Self-transforming mind.

According to Kegan (1994), approximately 58% of the adult population is below the Self-authoring mind level and only 3 - 6% of adults between 19-55 years make the transition between the fourth and fifth stages.

Senior leaders' confident expectations of corporate growth (PriceWaterhouseCoopers, 2014) are framed by a growing demand for transparency in an increasingly global, cross-cultural, interdependent, networked and unpredictable environment (Accenture, 2014). Global companies often outsource leadership development because of a lack of internal expertise and the need for timely initiatives. This is where business psychologists can take a leading role.

## **Challenges and Opportunities**

A global survey of CEOs reported that 76% believed their organisations needed to develop global leadership capability but only 7% believed they were doing so effectively (Ashridge Business School, 2008). More recently, survey responses from 13,124 global leaders and 1,528 human resource executives within 2,031 organisations representing multinationals and local corporations, 32 major industries, and 48 countries (Sinar et al., 2014) revealed that only one in five organisations emphasised global leadership development. Only one-third of the leaders reported being effective in leading across countries and cultures – the lowest single skill effectiveness rating in the survey.

Other authors (Gentry & Eckert, 2012; Holt & Seki, 2012) argue that effective development of global leaders requires four fundamental shifts:

- (1) Developing multicultural effectiveness;
- (2) Becoming adept at managing paradoxes;
- (3) Cultivating the 'being' dimensions of human experience;
- (4) Appreciating individual uniqueness in the context of cultural differences.

Cultivating the 'being' dimension of human experience means assisting global leaders to deal with their busy schedules and their resistance to alternative ways of working. Holt and Seki (2012) contend that current assessment instruments used for global leadership development are outdated and inadequate, and advocate approaches such as Maslow's (1999) work on the psychology of being and Nagata's (2009) intercultural work on body mindfulness.

## **Lessons From The Field**

These examples illustrate some pervasive business risks of not appreciating cultural differences. They are drawn from actual field work with names and locations changed to protect anonymity.

### **Universal Expectations but Different Behaviours**

In 2013, I delivered a one week intensive training program to a group of highly educated executives (most holding PhDs) in the United Arab Emirates. During the first two days, I announced the material and activities planned for the next day thus: "Tomorrow we are going to cover..." To my surprise, on the third day a participant took me aside and confided that I was coming across as arrogant and disrespectful. "We in the Arab world," he said, "use the expression *Insha'Allah*" which translates as 'God willing'. This term is commonly used in the Islamic world, and also in some Christian groups in the Middle East, when speaking about plans or future events. The phrase acknowledges submission to God, with the speaker putting him or herself into God's hands. Muslims believe that everything is '*maktub*' (it is written) and that therefore whatever one plans will only occur if it is God's will. Being culturally educated in this way was a very humbling experience. During the rest of the week I made sure I used the expressions I had been taught, and received smiles of acknowledgement and gratitude from my audience.

Showing respect to others is a universal expectation that I unknowingly failed to meet until the gap in my cultural knowledge was bridged. While universal leadership characteristics and expectations are equally important across cultures, their expression differs according to the cultural and social context. Hence, leaders require high levels of cultural intelligence (CQ) to function effectively in today's global and multicultural world (Ng et al., 2012). CQ reflects an individual's capability to deal effectively with people from different cultural backgrounds and includes concepts such as global mindset and cross-cultural competence. The personal example provided above reinforces the need to learn from experience in intercultural contexts.

### **Power Distance – Leadership and Hierarchy**

Jan Rotmensen, a senior manager of a global company, was transferred to Italy. He noticed that his egalitarian style, appreciated in the Netherlands, was perceived as a lack of leadership by his new team; they complained that he was weak, indecisive and ineffective. Jan would have benefitted from intercultural coaching to make him

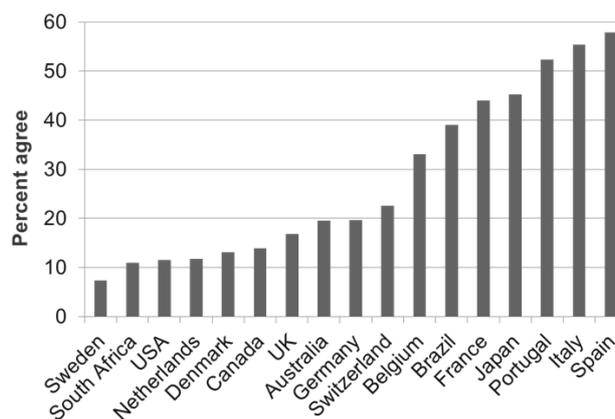
aware of his unconscious cultural programming and ethnocentric assumptions to avoid the negative impact of his behaviour on the performance of his team.

Jan’s situation, however, is not surprising considering that Italy and the Netherlands are 12 points apart in Hofstede’s Power Distance Index (PDI) (Hofstede et al., 2010, p. 59). The PDI compares the extent to which a culture values respect for authority and hierarchical relationships. In cultures with high PDI scores (e.g. Russia, India and China) leaders are not treated as equals by subordinates. In contrast, in cultures with low PDI scores (e.g. USA, UK, Netherlands) the hierarchical difference between leaders and their subordinates is much less noticeable.

Jan’s experience is in line with Laurent’s (1986) research. When European managers were asked to agree with the statement “It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work” (p. 94), the difference between countries was pronounced and explains the misunderstandings between Jan and his team.

Figure 1 – Differences among European managers

Agreement with the statement: “It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work” (p. 94)



Laurent, A. (1986). The cross-cultural puzzle of international human resource management. *Human Resource Management*, 25(1), 91–102.

## Persuasion and Reasoning Styles

Bruce Morris is a leading Australian engineer with extensive experience in presenting solutions persuasively to his American and British colleagues. Prior to his first trip to Saint Petersburg to present to a group of Russian decision makers he prepared thoroughly and, as usual, rehearsed his case by practising potential questions and objections.

Bruce began his presentation by getting directly to the point, summarised his key recommendations and highlighted the practical benefits of his proposed approach. Within five minutes, one person in the audience had abruptly interrupted him: “How did you arrive at these recommendations? You are providing solutions but you have not explained to us how you got to this point”. Immediately, someone else joined in: “What methodology did you use to arrive at your conclusions? Who did you interview? What did you ask them?” Bruce reacted badly to the emotional tone of the questions; he felt mistrusted and under attack and he became defensive. Ultimately, his proposal was rejected.

The ability to persuade is a key business skill rooted in cultural, philosophical, educational and even religious beliefs. Russians (like Germans, French, Spanish and Italians) favour deductive reasoning (principles-first) seeking to understand the 'why' prior to moving into action. Conversely, Americans, Canadians, British and Australians, to whom Bruce was used to presenting, favour inductive reasoning (application-first) and focus more on the 'how' rather than the 'why' (Nisbett, 2003). Most people are able to use both deductive and inductive reasoning but their habitual style will have been reinforced by their cultural education. Bruce's Russian audience felt that they were expected to 'swallow' whatever he told them without explanation. Like Jan Rotmensen, Bruce would have benefitted from understanding his ethnocentric assumptions.

### **High vs Low Context Communication Styles**

A major global insurer with over 15,000 employees in 50 countries decided to establish a new call centre service hub in the Philippines, outsourcing hundreds of jobs to generate sustainable savings. However, the forecasted savings were jeopardised by underestimating the cultural impact.

Filipinos use a 'high-context' communication style which tends to be indirect and formal, combining verbal and non-verbal messages to convey meaning. The listener must 'read between the lines' and take into account non-verbal nuances to fully comprehend the message. Individuals from 'high-context' cultures find it extremely difficult to say 'no', as it can be construed as confrontational, unfriendly and disrespectful, causing loss of face and embarrassment. For the Filipinos, maintaining harmony – a Confucian value shared across Asia – is far more important than being informative. As an example, remaining silent and not questioning customers' understanding of the policies would be preferred over checking to confirm comprehension.

In contrast, 'low context' cultures (such as the USA, Canada, the UK and Australia), where most of the insurer's customers reside, and with whom the Filipinos in the call centre have to deal, use a direct communication style. This style relies on literal and precise meaning with preference for explicit conversations in which words convey the entire message, or at least most of it. Not surprisingly, these marked contrasts in communication styles caused havoc during the early days at the new call centre. The lesson for the insurer was that ignoring cultural differences and assuming that English fluency equates to effective communication can be very risky.

The confusion in customer communication was only part of the story. Internal communications were also compromised. Requests commonly used by people from the insurer's head office such as "Would you mind sending the latest figures?" were indecipherable to the Filipinos. A more direct request such as "Please, send me the latest figures as soon as possible" would have been far more effective.

Further, it is important to be mindful that the Filipino culture uses holistic thinking (understanding the system by sensing its large-scale patterns and reacting to them) as opposed to an analytic style (understanding the system by thinking about its parts and how they work together to produce larger-scale effects). Business psychologists assist clients to identify and understand the implications of their culturally programmed thinking style when communicating with individuals from different

cultures. Needless to say, this would have been beneficial in preventing the issues in the call centre.

Eventually, the insurer invested heavily in comprehensive intercultural training, both for key head office employees and call centre employees in the Philippines. The outcomes of the training included increased mutual understanding and appreciation of cultural differences and improved communication between the call centre and head office.

## **Insights From a Global Champion**

Company X is a global leader in engineering solutions. It enjoyed net sales of around €5 billion in the previous financial year, employs around 17,000 people of 120 nationalities, and operates in 150 locations in 50 countries. The company's strategy is to develop a high performance, agile culture that fosters quick decision making and strengthens accountability. The intended outcome is to capture growth opportunities within the organisation's end markets while maintaining solid profitability.

Over the last three years, I have had the privilege of being involved in the global delivery of Company X's leadership development initiative attended by leaders from nations in North America, Northern and Southern Europe, the Middle East (UAE) and the Asia Pacific Region.

To adapt effectively to local cultures and market needs, a shift to decentralised and collaborative decision making is underway. A major challenge is to maintain a pipeline of leaders capable of working in any location, with global business acumen, nous and intercultural competence. To do this, the company has positioned culture as a business risk and embedded intercultural competencies in its global leadership development using the following criteria:

- Reflect customers' cultural diversity in the top leadership of the company;
- Ensure global leaders effectively align employees with the company's mission and values, empowering people to lead and collaborate horizontally, often using matrix structures, rather than managing vertically;
- Develop hundreds of leaders worldwide who are comfortable operating in a variety of cultures, as opposed to, for example, only concentrating on the development of the top 50 or 100 leaders;
- Attract, develop and retain executives from emerging markets; and
- Ensure the development of global leaders includes the acquisition of knowledge and skills related to country differences, cultural sensitivities and their implications, and collaboration. This emphasises the focus on competencies such as: learning agility, curiosity and inquisitiveness; engagement in personal transformation; emotional, social and cultural intelligence; and the ability to coach and empower others. It also includes the placement and rotation of executives in various geographical locations in which the company operates.

The following key elements were embedded in the design of this global initiative:

- (1) Simplicity of competencies by using meta-competencies, a personality assessment, and an integrated 360 degree feedback process;
- (2) Experiential approach incorporating action learning;
- (3) Strategic scope – placing strong emphasis on the long-term aspirations of the organisation and the required leadership capability to achieve this successfully;
- (4) Peer coaching and reflective learning, including journaling; and
- (5) Mentoring program.

The main goal of this program is to turn technical expert contributors (predominantly engineers) into leaders of teams and strategy implementers (middle/senior managers) into strategic thinkers. The program assists participants to acquire the repertoire of skills to operate effectively cross-culturally; to contribute to creating the company's culture in developing a common understanding of the group values, vision, strategy and ways of working; to develop their leadership abilities; and to become more aware of the influence of their actions and decisions on the group results.

The overwhelmingly positive feedback received from hundreds of participants has made this program the most acclaimed leadership development initiative in the company's history. So, what makes it so successful?

Participants complete four key preliminary components which provide them with the basis for drafting their initial personal action plan (PAP):

- (1) Online assessment which includes a personality profile and 360 degree feedback survey based on the competencies mentioned above. Comparative ratings on how participants their boss and others perceive their work environment are also reviewed.
- (2) Discussion with their immediate superior to define learning objectives
- (3) Preparation of team project presentations on strategic topics defined by the company based on strategic business priorities.
- (4) One-to-one feedback discussion session with an external facilitator/coach on their personality test and the 360 survey results.

They then attend a one-week intensive residential workshop based on action learning methods. Unlike more formal education training programs, participants learn from their experience while working collaboratively on issues of strategic importance to the organisation. The issues increase in complexity during the week. New knowledge and perspectives are created inductively. This includes how experiences, including environmental factors, cognitions and emotions influence their learning process. Kolb's (1984) four modes of the experiential learning cycle (concrete experience, abstract conceptualisation, reflective observation and active experimentation) are facilitated throughout the program.

Each participant is assigned to a project team with a specified strategic topic and to a peer coach to work on their PAP. The composition of each team is carefully selected by mixing individuals from different business divisions, functions,

management levels and geographical/cultural regions. This ensures they gain direct exposure to the range of issues and challenges they can expect to encounter as leaders. Teams present their findings to their peers and one member of the Executive and, during a highly interactive strategy session, face questions and receive feedback. Throughout the program, participants work in pairs coaching their counterparts. In order to consolidate and anchor their learning experiences, they also keep a daily learning journal as an additional reflective learning aid.

On completion of the week, participants are encouraged to use the company's global mentoring program, initially as mentees, and subsequently as mentors. Post-workshop assignments include: a discussion with their superior to review how the PAP will be implemented and the support and resources needed; the changes that will be demonstrated in their leadership behaviour; and the completion of 3 one hour e-learning modules ("Engaging their team", "Communicating Vision" and "Executing Strategy"). Finally, a follow-up discussion with the participants takes place two to three months after the program to measure the quality of implementation of their PAP and provide additional support, if required.

### **Imperatives in Moving Forward**

In addressing gaps in the literature on global leadership two key imperatives must be taken into account. Firstly, we need to discontinue strong reliance on historical leadership development approaches that are not applicable to current times. Doing more of the same is unlikely to yield different outcomes. A case in point is the competency movement in leadership development which has been astutely referred to as "a repeating refrain that continues to offer an illusory promise to rationalise and simplify the processes of selecting, measuring and developing leaders, yet only reflects a fragment of the complexity that is leadership" (Bolden & Gosling, 2006, p. 148). While competencies still matter (Hernez-Broome & Hughes, 2004), they are just part of the way forward. The current view is that contemporary leadership assessment and development is out of sync with the actual demands faced by global leaders (Gentry & Eckert, 2012; Holt & Seki, 2012). As a result, a new way of thinking combined with an understanding of how we have reached the current situation is required (Harman & Horman, 1993). This includes paying greater attention to the leader's character and integrity (Hernez-Broome & Hughes, 2004). It is precisely this point that leads to the next premise.

The second imperative, a strong recurring theme in the literature, is that leadership is a relational phenomenon – a psychological process based on relationships between people. Hence, its effectiveness depends, above all, on the quality of relationships and the leader's ethical behaviour, integrity and ability to build trust. The 'lone-ranger', superhero or alpha male leader stereotype is no longer relevant for either current or future times.

The relationship between these two imperatives clearly points to the need to develop more meaningful relational and integrated outcome measures of leadership. This has been recently highlighted by Salicru and Chelliah (2014) using psychological contracts (PCs) as a theoretical framework. The promotion of PCs through leadership has been identified as the missing link between successful execution of HR strategy and performance (McDermott et al., 2013). PCs assist leaders to: (1)

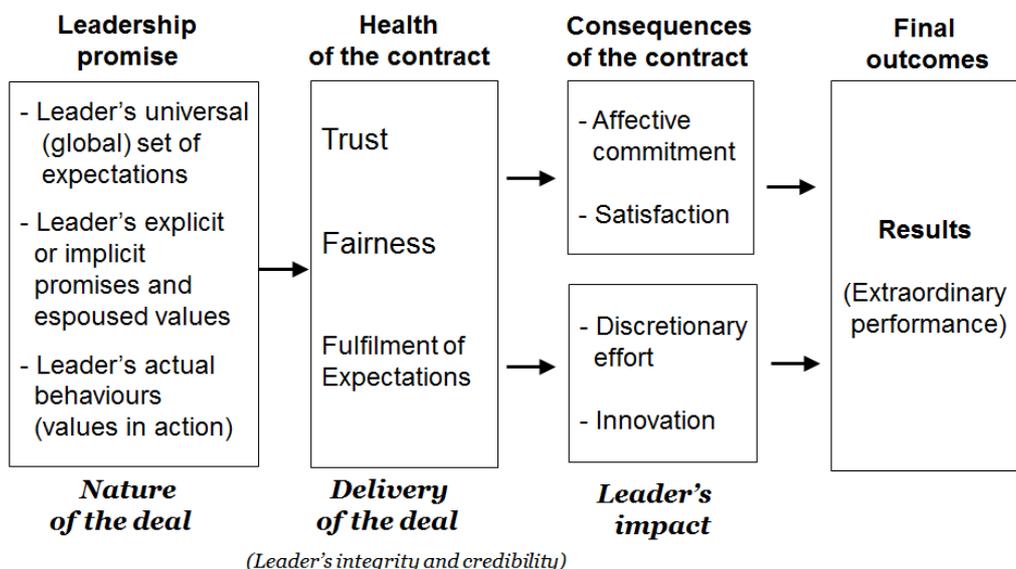
focus on their stakeholders' specific sets of expectations; (2) align their behaviours with strategies across organisational levels in ways that are consistent with the various HR configurations of the organisation; and (3) add missing relational dimensions of competencies by focusing on outcomes as opposed to behaviours.

## Global Leadership Psychological Contracts

The leadership psychological contract (LPC) sets the dynamics and measures for the leader-follower relationship by taking into account the set of unexpressed and unwritten beliefs, expectations, promises and perceived responsibilities or obligations followers have of their leaders (Salicru & Chelliah, 2014). The global leadership psychological contract (GLPC) is a predictive model that incorporates four key elements to address the emerging context of global leadership:

- (1) Results of GLOBE - "Global Leadership and Organizational Behavior Effectiveness", the largest leadership research program ever conducted (House et al., 2014). The GLOBE project covers an 11-year period (still in progress), involving 160 social scientists and management scholars from 62 cultures representing the major regions of the world. These results include the identification of the 22 most universally desired effective leadership attributes across cultures;
- (2) Measures of leader integrity and credibility (trust, fairness and fulfilment of expectations);
- (3) Measures of leader impact (follower emotional and behavioural outcomes); and
- (4) Final results, which refer to specific business outcomes.

Figure 2. Global Leadership Psychological Contract (GLPC)



These four components of the GLPC model (Figure 2) are labelled in language that is consistent with the promissory nature of PCs initially introduced by Guest (1998): the leader's promise or nature of the deal, the delivery of the deal or health of the contract, the leader's impact or consequences of the contact, and results.

## **Leadership Promise**

The first component of the model comprises three elements:

- (1) The universal set of expectations of leaders;
- (2) The leader's explicit or implicit promises, principles and espoused values;
- (3) The leader's actual behaviours or values in action.

These three elements are sometimes referred to as the contract makers.

This component constitutes the 'nature of the deal' that leaders offer to their followers, team members, stakeholders or constituents. For instance, Jan Rotmensen's arrival in Italy inevitably generated a set of expectations from his new team. The agents of the insurer's new call centre in the Philippines would have formed their own expectations about the changes, shaped by multiple sources including: official announcements, speeches at inaugural meetings, previous similar experiences and rumours. The promise becomes the criteria by which followers judge the health of the contract (i.e. the leader's integrity and credibility) – the second component of the model.

## **Health of the Contract**

The health of the contract (or delivery of the deal) reflects the extent to which the leadership promise has been fulfilled. Followers assess (a cognitive response) the leader's behaviour compared to their expectations. The extent to which expectations of their leader have been fulfilled constitutes the leader's level of credibility or integrity and hence the followers' levels of trust.

Contracts are said to be fulfilled or intact when individuals perceive their leader(s) to have honoured or upheld their promises and/or obligations. Contracts are breached (inadvertently) or violated when expectations are unmet. My example of training a group of executives in UAE was an inadvertent breach of contract as opposed to a refusal to comply with a cultural norm and was addressed by my subsequent corrective action. Violation is more severe, and followers' reactions can range from frustration to resentment, anger and distrust, ultimately resulting in termination of the relationship (e.g. leaving the team or organisation).

## **Consequence of the Contract**

The third component of the model relates to the leader's impact and refers to followers' emotional and behavioural responses to the delivery of the deal. The followers' emotional response includes their levels of affective commitment and satisfaction. Their behavioural response is seen in discretionary effort and innovation. The latter refers to creative thinking and innovative behaviour which results from the individuals' orientation towards change and likelihood to generate or adopt new ideas/practices, as well as perseverance in engaging in higher levels of thinking and implementing new and promising ideas. Leading across countries and cultures and fostering employee creativity and innovation have been identified as the two most critical skills insufficiently addressed by existing global leadership development programs (Sinar et al., 2014).

## Results

The final component of the model refers to results that take the form of extraordinary (as opposed to mediocre or expected) performance. Such results are also referred to as 'game-changing' or 'breakthrough' and relate to the accomplishments that are unprecedented. Indicators include objective team and organisational performance.

## Summary

Unmet expectations represent a breach or violation of the leader's contract. This, in turn, translates to low levels of trust, commitment, satisfaction, effort, innovation and performance. In Jan Rotmensen's case, the health of his contract moved through the whole chain of the model. To begin, his team's expectations of their new leader were grossly unmet and as a result he lost credibility. They felt unengaged and unmotivated and their levels of performance dropped.

In Bruce Morris' case, instead of putting effort into restoring his contract by re-aligning with his audience's expectations, his energy went into defending himself. This suggests a lack of emotional and social intelligence (e.g. self-awareness, ability to regulate his emotions and control his behaviour), components of cultural intelligence (CQ). Not surprisingly, his contract violation went beyond repair and he neither persuaded his audience nor closed his deal.

In the case of the insurance company, the breaches of PCs spilled over to the customers, who expected direct and concise communication. This not only jeopardised the short-term delivery of the company's customer policies, but also the longer-term reputation of the brand. This risk could have been mitigated, and customer casualties prevented, by incorporating an inter-cultural assessment component into the strategic planning for their new call centre in the Philippines.

In contrast, Company X, more experienced with a track record of multiple mergers and acquisitions, strategically planned their future by building a robust global leadership pipeline. The company closely monitors the feedback provided by participants, facilitators/trainers and customers and progressively adjusts the program. At a time when many companies cut their training budgets, Company X retained this important initiative and in doing so made its commitment to employees, customers and other stakeholders explicit.

## Conclusion

The current context of post-GFC recovery and globalisation presents new and exciting opportunities for business psychologists to support organisations' strategic HR management agendas of growth with a strong focus on global leadership development. As business psychologists we need to:

- Understand that the consequences of the rapidly changing global economic landscape include the need for developing multicultural effectiveness and managing complexity and paradoxes;
- Understand and articulate key distinctions related to global leadership development (e.g. domestic vs. global leadership; global mindsets; cultural competence; and cultural intelligence) and have access to relevant assessment instruments and strategies;
- Position culture as a business risk to our clients, i.e. the need to maximise the advantage of cultural strengths and mitigate the risk of cultural weakness; and
- Understand and articulate the most pervasive dimensions of culture and associated risk in business.

Business psychologists competent in the areas outlined above will be equipped to focus on specific interventions to assist their clients to:

- Gain strategic insight and clarity around culture and the global leadership capabilities and skills they need to develop;
- Identify and develop the pipeline they require to create an abundant supply of effective global leaders by generating a pool of high-potential candidates for future global leadership roles;
- Select the inter-cultural competencies and behaviours needed to achieve their business goals;
- Create selection criteria – using an appropriate framework – to assess candidates' suitability and potential;
- Roll out, evaluate and enhance company specific coaching programs, with emphasis on cross-culture issues, to accelerate on-the-job development; and
- Design and deliver customised global leadership development programs that integrate cutting-edge research and best-practice.

In conducting any of the above interventions the overarching goal should be to assist clients to unite strategy formulation, implementation, long-term performance and financial success.

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