An analysis of the global leadership of business leaders facing the challenges and countermeasures

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Abstract:
Economic globalization is an important trend in the development of the world economy, which makes it possible to share advanced management ideas and technologies worldwide. However, the increasingly diverse workforce in the globalization environment constitutes an increasing number of multinational companies that realize that when their operations span multiple cultures, the original management system will inevitably encounter the impact of cultural differences. The original management organization system will undergo certain changes, and the requirements for managers’ skills will also change. When more and more business organizations began to flatten, the number of branches increased significantly. As a CEO, it is impossible to be present in every market simultaneously, so understanding global resources to facilitate strategic execution while clearly understanding the needs and characteristics of each market and actively improving global leadership has become a required course for business managers.

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Introduction
Nowadays, economic globalization is an important trend in developing the world economy, which makes it possible to share advanced management ideas and technologies worldwide. However, the increasingly diverse workforce in the globalization environment constitutes an increasing number of multinational companies that realize that when their operations span multiple cultures, the original management system will inevitably encounter the impact of cultural differences. The original management organization system will undergo certain changes, and the requirements for managers’ skills will also change. When more and more business organizations began to flatten, the number of branches increased significantly. As a CEO, it is impossible to be present in every market simultaneously, so understanding global resources to facilitate strategic execution while clearly understanding the needs and characteristics of each market and actively improving global leadership has become a required course for business managers.

First, what is leadership? It is considered the most important competence of senior managers. Dr. Henry Kissenger, former U.S. Secretary of State, said, “A leader needs to take his people from where they are to where they have not been before.” To be a good leader, you must have the above abilities, including guidance, delegation, relationship management, strategy development and executive management, leadership innovation, and organizational change. So-called leadership is a special kind of interpersonal influence. Everyone in the organization influences others and is influenced by others. Therefore, every employee has potential and actual leadership. In an organization, leaders and members work together to drive the team to achieve the stated goals, resulting in an organic system with the following elements: the personality characteristics and leadership art of the leader, the subjective initiative of the employee, the positive interaction between the leader and the employee, and the process of setting and achieving the organizational goals. The normality of the system depends on the coordinated development of various elements. The key to coordinated development lies in the interaction between the leader and other members. Whether leaders can interact with each other to form a unified understanding, emotion, and behavior is a necessary condition for the correct performance of leadership (CAI Jianqun, Liu Guohua, Research Frontiers of Global Leadership Abroad, Foreign Economics and Management, No.3, Volume 3O, Issue 3, March 2008). Today, with increasing international trade, the rise of multinational corporations, and accelerating population mobility, business leaders need to be able to adapt and manage employees and customers from diverse cultural backgrounds. Global leadership has become necessary for company growth (Palmisano Palmisano, “Transnational Leadership,” Sino-Foreign Management, 4, 2008).

Next, let’s talk about why global leadership matters.
The development and change trend of global economic integration makes many organizations face unprecedented fierce competition. Also, it puts forward the requirement for managers to rethink how to improve organizational performance and find better utilization of organizational resources in the global environment. Managers in this environment will be in a passive position if they do not adjust themselves. Moreover, business leaders in different regions face different employee cultures, and customers need to adapt to different cultural environments and deal with problems. Therefore, they must possess keen observation, humility, and effective communication skills. In this case, global leadership, especially cross-cultural leadership, is particularly important, seen from the following three aspects: First, it can help enterprises expand international business. Cross-cultural leaders can understand the local business culture and need to succeed in new markets. They can build relationships, attract local talent, customers, and partners, and make the business a competitor in the global marketplace. Secondly, cross-cultural leadership is conducive to improving cultural adaptability. Cross-cultural leaders constantly learn and adapt to new cultural environments, improving their acculturation. This allows them to better collaborate with people from different cultural backgrounds and gain new knowledge and experience through these exchanges. Finally, cross-cultural leadership can help improve the company’s international image. Cross-cultural leaders can connect with local cultures, thereby enhancing the business’s image internationally. They can better expand the market, increase sales and return on investment, and bring more profits to the enterprise.

In a globalized environment, understanding the tasks of global leaders is the basis for exploring global leadership. The key task for global leaders is to effectively listen to and integrate key inputs from supervisors, colleagues, and direct reports in complex cross-regional, cross-cultural environments, and to align their judgments and decisions with those of corporate supporters at home and abroad. According to relevant research, global leaders must possess unique adaptability, expertise, and communication skills. The abilities a global leader should possess are summarized as global strategic skills, changing and transforming management styles, managing different cultures, developing and implementing plans in flexible organizational structures, working and communicating with others and teams, and learning and transferring knowledge in complex organizations. However, enterprises will also face many challenges and problems in global management. It can be divided into the following four points:

(1) Culture conflict: Globalization has made enterprises interact more and more frequently with employees, customers, and partners from different cultural backgrounds, so culture conflict has become a serious problem. Cultural differences may include values, beliefs, language, and ways of behaving. If leaders cannot understand and respect different cultures and establish corresponding cross-cultural communication mechanisms, cultural conflict will become the bottleneck of global leadership. In this case, leaders must be responsible for “cultivating cultural sensitivity and improving the cross-cultural awareness of employees.” Cultural knowledge and understanding of employees can be improved through cultural exchange, cross-cultural training, and cultural promotion activities. It is also possible to jointly establish cross-cultural communication platforms, such as multilingual websites and social media, to improve cross-cultural communication. In addition, companies should make cultural diversity a part of their corporate culture and integrate it into business strategy and management decisions.

(2) Time zone differences: Globalization requires companies to manage operations in different countries and regions, which raises the issue of time zone differences. Time zone differences can cause delays between customer service and coordination team members and impact an organization’s business operations. For example, an important email from a customer may stay in a different time zone, or a multinational meeting may miss an important time. Therefore, managing across time zones requires effective communication and coordination. Leaders can choose the right communication tools to improve communication efficiency, such as teleconferencing and live chat software. Consider scheduling important meetings and contacts when you have common time and adjusting your work hours when appropriate. To ensure a good customer relationship, businesses can use automated customer service software to always support customers.

(3) Political and legal constraints: the management of globalization must comply with the laws and regulations of different countries and regions. These regulations vary and may change over time as the political environment changes. The company must comply with the laws and regulations of each country and develop a business strategy suitable for the local market. In addition, political factors may also lead to management changes, such as government policies, wars, social unrest, and other factors that will have an impact on business management. At this point, leaders need to understand the legal and political environment of the target market and establish a compliance mechanism for the local market. Carefully analyze the risks and opportunities in the local market and formulate corresponding business plans. In the face of political
change, they must be flexible and communicate effectively with local governments and communities. In addition, corporate sectors can devote more resources and effort to diversification, thereby spreading risk.

(4) Competitive pressure: Global management means that enterprises will face fierce competition worldwide. Changes in the competitive environment can create significant challenges for businesses, such as changes in technological innovation, market share, and customer demand. Therefore, leaders should maintain a keen sense of the market, respond to market changes promptly, and constantly help update the business model and strategy of the company, at the same time, establish a brand image that is appropriate to the local market and culture, to improve the credibility and reputation in the market.

In the face of these problems, excellent leadership is one of the core elements of corporate sustainability. More importantly, in the historical globalization changes, adaptability, and innovation ability are the source of enterprise survival and development. Therefore, leaders should start from the social and cultural background, adjust the operation and management strategy with an open mind, constantly innovate, and effectively realize the organic combination of enterprises’ short-term survival and long-term development. At the same time, improving the learning ability of business leaders is also very important. In the era of globalization, cultural integration is a process of mutual respect and adaptation. Leaders can never expect to assemble a global management team from one country and one professional background, nor can they expect to succeed by transferring managers who have been successful in one country to another. It is hard to imagine a leadership team of an internationally competitive business comprised entirely of people from one country.

Second, leaders should firmly establish the concept of a team. Improving unity and cohesion is an important part of improving team effectiveness. Individuals will inevitably make mistakes in learning and adapting to a new environment. Even the greatest leaders sometimes make the most basic decision mistakes when faced with an entirely new territory. A wise leader should not assume leadership because he has made no mistakes. Leaders must have the courage, to be honest about their shortcomings and complement them by providing opportunities for people to participate.

In addition, leaders should have perfect abilities and qualities. The qualities required for leadership are very different from those of the past. Where the emphasis used to be on leaders using traditional management methods such as finance, accounting, marketing, and strategy, there is now more emphasis on leaders’ personal qualities. These personal qualities are often critical to business success in this complex and rapidly changing era. As mentioned earlier, managing across time zones requires effective communication and coordination. Therefore, leaders can choose the right communication tools, such as conference calls and live chat software, to improve communication efficiency. In addition, leaders can consider scheduling important meetings and contacts when they have shared time and adjusting work hours when appropriate. Some international multinational companies provide us with a good reference in these aspects. For example, in terms of leadership, in the new era, IBM requires leaders to have a range of competencies and qualities, including building customer partnerships and meeting challenges, collaboration, lateral thinking, and developing talent.

Business leaders face many problems and challenges in today’s era of globalization, but there are also many solutions to avoid and solve these problems. Leaders should adjust their leadership models and strategies to adapt to globalization and succeed. At the same time, enterprises can achieve the goal of global management by establishing a global network, strengthening cultural sensitivity and cross-cultural communication, adapting to local market and legal constraints, and improving their innovation and competitiveness.

References:
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