

The influences of leaders who are culturally competent are more successful in the global community than leaders who are not culturally competent

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Abstract

This research study provides the overall importance and effectiveness of using culturally competent environment in global markets to diversify the businesses. The study indicates that there is a need to expand businesses globally because as the time passes companies and their strategies are becoming more competitive and competent. There is a need for leaders to understand the significance of being culturally competent and to diverse themselves in major global markets. It will in return give the organizations a chance to deal with diversified group of people located in different places and sharing different values and cultures. These cultural orientations and diversification also help us understand in a business perspective how people may diverge in their perspectives and ways of doing things that are based upon their cultural orientation and values. For instance, diversity is reality for companies to sustain in the global environment. The organizations in the world are connected through the increasing globalization, diversification and effective competent leaders. So changes in one part of the world impacts people all over through this interconnection of organizations. So by considering this very fact, working together for companies is a best way to accomplish their goals effectively. There is enormous number of benefits associated with diversity, the opportunity to contact people from all cultures and all over the world. On the other hand, the leaders who are not at all culturally competent can never achieve these advantages and returns on their businesses and they also can never be able to diversify their businesses and stand with the global competitive competition.

1 Identification of the Issue

1.1 Statement of research problem:

This research study will help to investigate that how the culturally competent leaders are more successful in the global community than leaders who are not culturally competent.

1.2 Issues and reasons:

The reason of investigating this problem is that whenever the management team is brought together in one physical location or it may operate in a virtual environment; challenges always arise from many different sources for example cultural, managerial, operational, efficiency or effectiveness concerns, and more. Hence, many proactive institutions are increasingly paying consideration to the interconnections between management capabilities and culture; mainly they need information on how stakeholders and company will get benefit from the cultural competencies of leaders (Zakaria, 2013). Also when leaders deal in the global markets they always come up with the following challenges in their working environment that is one of the reasons for writing this report:

- The challenge that how employees will work in different markets with different cultures and systems.
- The challenge to figure out that what it will take by the leaders to build an effective team that helps the company to meet its goals.

- The challenge that how leaders will manage the team to work in diverse cultures with people having different mind sets.

1.3 People benefited from it and how:

Organizations, top management, stakeholders, managers as leaders and even the employees of different organizations will get benefited from it and as a result of better management through this; clients and customers will also be benefited from it. In general all types of organizations and their stakeholders can be benefited from it, by knowing all about diversified groups in the organizations they will better be able to deal with them. In addition to this, the managers can also deal effectively with their employees if they will have handfull information on the diverse culture of the employees. Better decision making, conflict negotiation and allocation of labor to their specific areas will be done efficiently by the managers by making use of the findings generated from this report.

1.4 Methodology and Analysis:

The method for carrying out this investigation will be qualitative research in which data will be collected through secondary research. Observational type of methodology will also be used that will include different case studies etc. Analysis of the report will be done through keeping in mind different models used in the research. These models will help in analyzing the already collected data for the research.

1.5 Evidence to support:

Evidence to support the research, would be found through secondary research and by studying different cultural models that will give insights about the diverse culture of the organizations.

1.6 Validity and reliability:

Validity and reliability of the findings will be assured by using accurate information in the report that will lead to accurate findings. The findings on different cultural models that have already been carried out will be used in order to generate new findings, so that the validity and reliability, of the new findings (this report), will be made sure.

2 Literature Review

Culture is the share values of people living in a common place and sharing common beliefs. The culturally competent leaders use the ethnicity, language and rules of the global market in which they are operating and they focus to diversify their business and values into those cultures. Our environment determines what we learn, how we learn it and also the rules and regulations of living with others. So, for a competent leader it is absolutely mandatory to learn the values of diverse cultures in order to maintain a competent edge in the business (Ctb.ku.edu, 2014). Talking about the culturally competent leaders, Canada as a country has mostly advanced its industrial Western societies and has transformed by new immigrants from all around the world. This demographic revolution will definitely change the way most companies; large, medium and small conduct business. The leaders working in those areas will have to change their way of doing businesses according to the culturally competent markets, which have entered the market (Taggart, 2007). Another example is of BMO Financial Group (BMO) that has been at the front position of this marketplace alteration for many years, and has spread initially by the challenge to make the labor force and workers more diverse, comprehensive and representative of the many communities that include the Canadian population. This force for diversity itself took back it to the mid-1980s when a famous royal commission on Employment Equity, chaired by now Supreme Court Justice Rosalie Abella had demanded Canadian businesses to do a better job by reflecting the realities of the country and also by including Canadians who in the past have been

disadvantaged in employment which were mainly women, noticeable minorities, indigenous people and also people with disabilities BMO Financial Group (BMO) has been at the forefront of this marketplace transformation for many years, spurred initially by the challenge to make our workforce more diverse, inclusive and representative of the many communities that comprise the Canadian population. That drive for diversity itself dates back to the mid-1980s when a famous royal commission on Employment Equity, chaired by now Supreme Court Justice Rosalie Abella, demanded Canadian businesses do a better job reflecting the realities of the country, by including Canadians who historically have been disadvantaged in employment, namely women, visible minorities, Aboriginal people, and people with disabilities (Taggart, 2007). Moving further, there are four levels by which you can understand the concept of being culturally competent. "Cultural knowledge" indicates that the leader should know about the cultural characteristics, values, beliefs and behaviors of the market in which he is operating. "Cultural awareness" is the next step that explains the understanding of the market in which organization is dealing; leader has to be open enough to make his team aware of the cultural values and ethics. "Cultural sensitivity" indicates that differences do exist between different cultures and it should be kept in the mind of the leaders and their teams. Many problems can come at this point but the leaders have to be competent enough to solve them right away because the leaders who are not culturally competent never get able to find the differences and that's why lack behind as compared with the successful leaders. In the end, "cultural competence" means that organizations should have the capacity to bring change in its behaviors, attitudes and rules in order to adjust in the cross cultural settings. The leaders who are not culturally competent, they never get the idea of being successful and achieving competitive edge over others. Also, the cultural competence focuses on what the organization is and how it delivers the values to the organization structure and system. The leaders find it competitive enough to follow it in order to remain competent culturally in different global markets (Ctb.ku.edu, 2014).

3 Conclusions and Recommendations

In the conclusion, the research study indicates that leaders who are not competitive and are not open enough to change themselves ends up getting nowhere in this highly competitive global environment. On the other hand, the leaders who are culturally competent have a higher chance of getting diverse and to understand different cultures and attitudes in a more effective and efficient way.

Also there is an importance on the need for culturally competent leaders who reflects the control culture has on learning, actions and behavior. A culturally competent group shared beliefs, values, customs, definitions of right and wrong and expectations for behavior situation, also how and what they learn. The cultural, values and economic diversity of today's businesses require leaders who can help in order to create communities that support learning by all its team members in a more and real effective way. These leaders should act on their commitments to make the organization competitive enough in order to compete culturally and globally (Edmundson, 2014).

As for the recommendations, organizations should make their leaders aware of the fact that there is an enormous need of producing culturally competent environment. The globally competent leaders are the great source for the organizations to bring the large number of revenues to the company, to diversify their markets and strategies, to make their workforce efficient and effective and to allow the other markets to indulge in your organizational culture. Moreover, it is recommended to work in global markets because it helps to decrease the manager's reluctances to hire and work with culturally diverse workers. Also it helps to lessen the effects of racism and discrimination that can result from misunderstanding of the behaviors of others. Culture specific training is necessary and important but there is also culture general training which can be valuable and helpful particularly useful for developing cross-cultural competence (Businessweek.com, 2014). The training of top managers should be carried out to help them gather the best team for the effective culturally competent environment. The best workforce will help the leaders to achieve the goals more effectively.

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