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Cultural Diversity, International Entrepreneurship and Global Leadership Effectiveness

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Research Objective:

Diversity can exist in several forms. The current undertaking focuses on cultural diversity. The proposed research aims to examine the links between cultural diversity, exporting or international entrepreneurship and global leadership effectiveness. The research begins with establishing cultural diversity as a resource that entrepreneurs and business leaders alike can benefit from. The research examines nine cultural dimensions – *institutional* individualism vs collectivism, *in-group* collectivism gender egalitarianism, performance orientation, future orientation, humane-orientation, uncertainty avoidance, assertiveness and power distance – as obtained from the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study and subsequently seeks to understand how these cultural dimensions shape individual-level entrepreneurial behaviors. Understanding and acknowledging cultural differences when starting an entrepreneurial venture in a different country (international entrepreneurial ventures) may be the key to the entrepreneur's as well as the venture's success. Certain aspects of doing business that an entrepreneur takes for granted in his/her home country may be culturally unacceptable in a different one. For example, visible in the Exhibit 1 below is a snapshot of institutional collectivism values across 62 countries. The plot clearly shows that the "east" is more collective while the "west" is more individualistic. From that standpoint, it may be inferred that for individuals in the east it may be generally acceptable or even preferred to work in groups as opposed to those in the west who may not prefer working in groups. We ask the research question: how may this cultural difference influence the entrepreneurial behaviors of entrepreneurs motivated to starting up a new venture abroad?

Using the GLOBE study, the research also examines six culturally-endorsed leadership styles (culturally acceptable stereotypes of effective leadership styles) – charismatic, participative, team-oriented, autonomous, humane-oriented and self-protective cultural leadership styles. Individuals become leaders when leadership styles align with the followers' perceptions of acceptable leaders. These perceptions are deeply rooted in cultures and as such vary across cultures. Research findings will establish the fact that certain leadership styles that are culturally acceptable in one culture may not be acceptable in another. This knowledge is particularly important for global business leaders who either lead culturally diverse groups or multi-national companies abroad (MNC). Aligning their leadership styles with the cultural expectations of diverse groups of followers that these business leaders would be leading would be imperative for their leadership effectiveness and eventual success. For example, visible in the Exhibit 2 below is a snapshot of culturally-endorsed charismatic leadership styles across 62 countries. The plot clearly shows that. The plot clearly shows that charismatic leadership styles could be more effective in the "west" than in the "east". We ask the research question: how may the knowledge of culturally (un) acceptable leadership styles improve the effectiveness of global business leaders?

Research implications

The proposed research will allow readers to:

1. Recognize cultural differences – (non) acceptable cultural norms and how that might translate to doing business globally, excel professionally or work-place productivity.
2. Recognize the fact that the endorsement of leadership styles differs across cultures such that becoming leaders may entail adapting one's cultural orientations to fit to the orientation of the culturally diverse group they may be leading in their professional careers.
3. Become adept at understanding some of the issues that may arise in work place based on inexplicable cultural back grounds and how one might be sensitive, flexible and tolerant to them and what might one do to resolve conflicts.
4. Develop skills in cross cultural communications, teamwork and leadership development
5. Be able to imbibe personal attributes and traits that would make them more comfortable working in a diverse world.
6. Learn (through materials) that *your culture does not entitle you to anything rather enlightens and empowers you to defer your conclusions about other cultures.*

Exhibit 1: Institutional collectivism cultural value across 62 countries

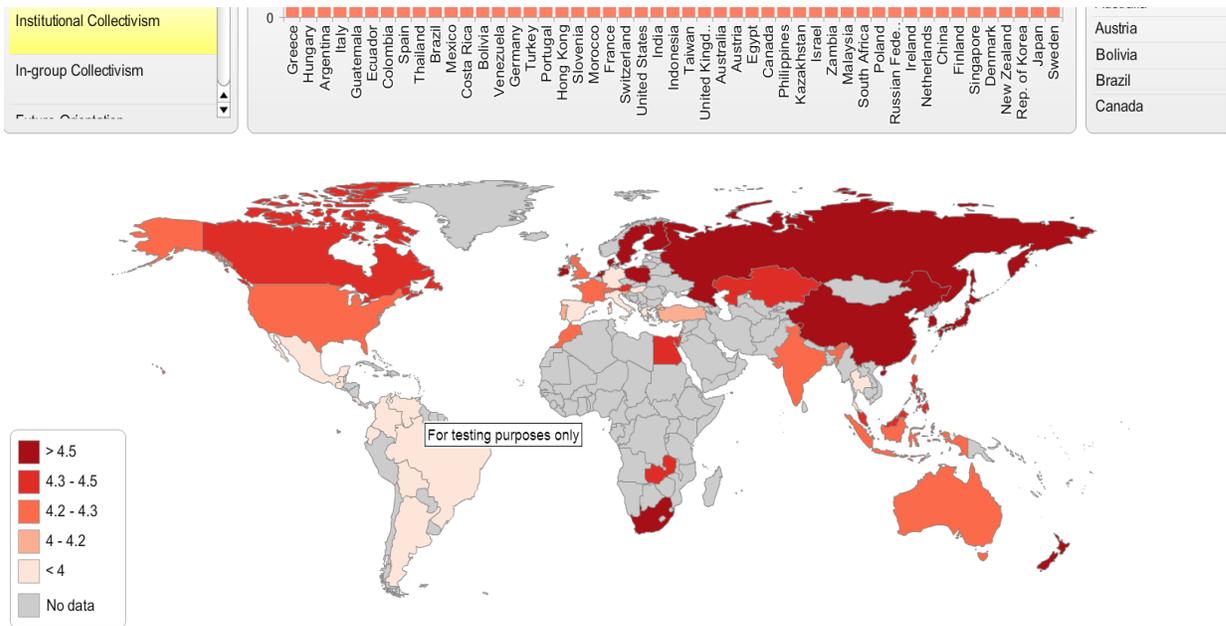


Exhibit 2: Culturally-endorsed charismatic leadership across 62 countries

