



## Global Environment

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# Leadership competencies for global managers

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- In our work with a wide range of international companies operating across many different markets and industries, it has become clear that the most successful business leaders consistently demonstrate a specific set of competencies.
- Successful global managers, particularly those leading the internationalization of domestic companies, demonstrate these same competencies but in a very distinctive way.
- These competencies fall into four distinct areas :
  1. Business leadership
  2. Functional leadership
  3. Team leadership
  4. Personal leadership

# Business Leadership

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- Business leadership in a global company has very specific challenges:
  1. The ability to build alliances and business partnerships is a key to successful business leadership in new markets.
  2. Relation to company structure and organizational dynamics
  3. Communication of corporate values and strategy

# Functional Leadership

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- Functional leadership is typically defined in terms of the specific functional skills an individual brings to a business situation.
- Deep skills in a functional area of relevance are critical because they give the global manager credibility.
- The individual's ability to leverage the corporate network
- The individual to maintain a functional edge so he or she does not become isolated from best practice

# Team Leadership

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- Team leadership is the first of the two 'soft' competencies that sets successful global business leaders apart from other managers
- Mentoring, coaching, motivating, and even day-to-day communication, can be difficult in an environment where cultural norms, symbols and values are all fundamentally different to those of the leader.
- The political, regulatory and business landscape can change quickly and without warning, so the ability to communicate a consistent vision, and inspire the troops to action in such an environment, requires a special kind of leadership.

# Personal Leadership

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- Our family life, sports clubs or religious affiliations, all provide rhythm and context for our business activities.
- Business leaders in the international context often lack these supports and accordingly require a level of personal leadership well beyond what is typically needed in a domestic environment
- For someone constantly traveling, it takes discipline, focus and maturity
- If an executive is to be successful working in another culture he or she must demonstrate a deep respect for, and sensitivity to, cultural differences.
- He or she must also remain grounded in his or her own culture and national identity

# Personal Leadership

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- A further aspect of personal leadership of successful global managers is the ability to continue to manage their own personal growth and career development
- Keeping networks alive and fresh, staying on the corporate radar screen, and maintaining one's edge when working at the coalface of international business is extremely difficult.

# Emotional Intelligence

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- Team leadership and personal leadership are linked through an overarching competence called Emotional Intelligence.
  
- Emotional intelligence is made up of five elements:  
Three of these involve personal elements:
  - self-awareness
  - self-regulation
  - motivationTwo of the elements are social:
  - empathy
  - social skills

# Global Manufacturing and Marketing Strategies

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## Manufacturing Strategy – Engineering Alliances/JVs

- In the Automotive industry it is sometimes hard to work in a common vehicle platform where there are Japanese suppliers. For example, Ford works with Mazda in a common platform for an American vehicle.

## How Japanese Keiretsus Work

- The "manufacturers" Keiretsus, symbolized by vertical relationships, are integrating a pyramid of suppliers and component manufacturers in one structure.
- They behave as if they were one company:
  - ❖ Giving loans,
  - ❖ technology,
  - ❖ development costs,
  - ❖ long-term supply agreements etc. from customers higher up in the pyramid to subcontractors.

# Global Manufacturing and Marketing Strategies

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- Manufacturers even absorb losses occurring in other sectors and pursue set prices.
- The result is a conformist structure producing high quality while shutting out foreign suppliers.
- The Japanese believe that they ensure full employment, the security of the nation and distribute risks ( it is their version of capitalism ).
- The Keiretsus can be seen to be adapting to changing conditions such as increasing globalization.
- Many of the old corporate groups are becoming more open to doing business with foreign partners and are even terminating old alliances that are no longer useful to them.

# Global Manufacturing and Marketing Strategies

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## Marketing Strategy

- In the Marketing arena it is difficult to define a global vehicle for different markets as there are different regulations such as emissions and safety.
- The consumers themselves have different expectations and climate conditions and geographic considerations must be taken into account as well.
- Marketing communication should also be focused depending on the target market.

# Conclusions

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- The four leadership competencies all key elements of a successful business leader's skill set.
- Team leadership and personal leadership are particularly important in the international context.
- A leader needs to identify the needs of the culture that surrounds him, and adopt flexibility into the processes.
- Different markets with different cultures are difficult to work with but a leader needs to find the way to integrate the company vision, mission, best practices to achieve the best results in the globalization process.