

PATTERN OF LEADERSHIP IN GLOBAL AND MULTICULTURAL ORGANIZATIONS

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ABSTRACT

The businesses have changed drastically over the last few years. With the emergence of globalization in India and many other countries, the whole world has become one family as far as business transactions are concerned. Many transnational corporate have their branch offices and back offices in Asian countries like India due to the reasons like computer literacy, knowledge of English, zeal to be associated with the multinational corporations, etc. It has opened many opportunities for the citizens of India to work either in the back offices of such multinational companies or to attain a work visa to go and work in their head offices located in American and European countries. This workforce diversity has become an issue of concern for the leaders and managers as to amass the mindset of people coming from various backgrounds and energize them for the common goal has become a big task. In the present research, the aim is to study the workplace diversity in today's scenario and the role of leaders to cope up with it in order to achieve organizational goals. The research is based on the secondary data, literature review and the study of the output and productivity of few transnational companies.

Keywords: *European Countries, Workforce Diversity, Organizational Goals, Transnational Companies.*

Introduction

With the advent of globalization and liberalization, companies have expanded their businesses globally. This has accelerated the pace of global competition also. To face the competition and win the market share, companies make enormous competitive strategies. Companies have understood the importance of able and dedicated employees and are giving more value to them. Employees are also not minding to leave their native places and to move in aspiration of achieving better in terms of money as well as the position. This has resulted in workforce diversity in multinational organizations. It has been a factor of improved productivity and overall performance in the organization due to specializations of various personnel but at the same time, the role of leaders has also hiked drastically. It has become a challenging task for the leaders to supervise, direct, guide and communicate with the people coming from different backgrounds and mindsets. Thus, assessing the role of leaders and strive to make leadership more effective has become a necessity.

Research Objective

- To identify the role of leadership in context to increasing multicultural organizations
- To evaluate the role of leaders in the diverse personnel firms
- To suggest various strategies to make leadership more effective in today's modern transnational organizations

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Relevance of the Study

Improving the skills of the staff is essential to survive, sustain and thrive in the global competitive market. The employee turnover rate is also high. The commitment level is low and the employees value remuneration more than loyalty and long term association with the company. So, motivation of employees is also an indispensable part of human resource management. The need has also arisen because of the different attitudes, perceptions, backgrounds and performances of the employees. The modern leaders are required to be pro-active in taking initiatives in order to manage workforce diversity. The research may assist the leaders to find better diversity management techniques.

Literature Review

The theories and researches already propounded by various authors and researchers have been critically evaluated. The research gap may be analyzed and better suggestions to manage workforce diversity may be given. Literature review basically bridges the gap between the research theories already exist and what more can be done to accelerate the efficiency of the employees and make leadership more efficient and less challenging. Some authors have prominently mentioned the qualities required by the leaders. Kirkpatrick and Locke (2011) mentioned that an efficient leader must have certain traits and skills such as pleasing personality, ability to read others, empathy, etc. Limon and La France (2009) is also of the similar view who adds that an effective leader needs to combine these skills with smart business practices.

The basic traits and skills required for an efficient leader quoted by various instigators are:

- **Motivation:** It is not exaggerating to say that the success of the organization depends on the commitment of its employees. Kirkpatrick and Locke (2011) focused on the role of monetary and non-monetary motivation to the employees.
- **Initiative:** Leaders must initiate the action rather than depending on others to begin the task. Planning the policies, as discussed by Jerabek and Day (2009) takes lot of courage as the rolling of the stone requires more strength and efforts in the beginning.
- **Guiding Force:** Kornor and Nordvik (2010) are of the view that without proper guidance, it is not possible for the employees to give sound performance.
- **Positive Work Environment:** The role of healthy work environment is inevitable because people coming from different backgrounds have different perceptions and beliefs that create negativity and confusions at the workplace. (Lord, Da Vader and Alliger, 2006)



Figure 1: shows the elements of workforce diversity

Impact of Diversified Workforce on the Performance and Productivity

Workforce diversity refers to a situation where people from different race, gender, personality, education, background, age, cognitive and mental abilities work together for the achievement of organizational goals (Watson and Kumar, 2009). In this context, Richard, et al. (2009) stated, "For the smooth operation of the organizations, managing diversity has become an integral part of the managers."

The advantages and disadvantages of workplace diversity are as follows:

Advantages of Workplace Diversity

- **Enhanced Adaptability:** White (2009) mentions, "The multicultural firms have diversified workforces that offer a greater variety of solution to the organizational problems. Varied staff brings different talents and experiences and offer flexible ideas to make learning adaptive." It allows the global firms to prepare business strategies with the customer's needs. (Prasad, Pringle and Konrad, 2006)
- **Broader Operations:** Varied and diversified workforce brings various skills such as languages, understanding of culture and beliefs enable the companies to serve better and effectively.
- **Improved Execution:** Every person has a different potential. The potential of all the employees in a diversified organization can be exploited for the achievement of organizational goals. (Wenting and Palma Rivas, 2008) The perfect execution of the plans may result in greater productivity, increased profit margins and improved sales figure.
- **New Ideas:** Through the thought process and brain storming of different people, a lot of new ideas can be received and utilized to prepare the strategies for business in accordance with the customer's needs. (Prasad, Pringle and Konrad, 2006)

Disadvantages of Workplace Diversity

- **Poor Communication:** The interaction among the employees affect significantly as they prefer to talk in their local language and make friends with native people. For the successful completion of business strategies, intensive communication among the staff members is important. Workplace diversity may be an obstacle in clearer and effective communication.
- **More conflicts:** The chances of conflicts in multicultural organizations are more as everyone has a different view point. Conflict management takes time and energy to resolve and have negative impact on the productivity of the organization. (Fassinger, 2008)
- **Amplified cost:** Training is an important element of human resource department these days. If the employees have different background and beliefs, it takes more cost and time to train them and to bring them to the common objectives.

Role of Leaders in Diversity Management

The leader has to play a crucial role in the management of workplace diversity. Some of the important roles of the leaders are required during the following activities in the organization:

- **Hiring**

Leaders have to be active while the hiring of the employees. It is very important to hire the people from all segments as far as gender, age, education, place, level of knowledge and understanding is concern to make an effective team. We usually cannot imagine the organization working without any woman or elderly person.

- **Training**

Training is extremely important to enhance the productivity of the workforce. With workplace diversity, training becomes more challenging as the leader has to prepare people coming from different backgrounds and mindset to one common platform and achieving common organizational objectives.

- **Evaluating Employees' Performance**

Appraisal or evaluation of the employees' performance is very important to keep them satisfied so that their retention and commitment both increases. In most of the organizations it is done annually but in some organizations, it may be done differently too. In the case of multicultural organizations, it becomes even more necessary to be performed with care as the chances of dissatisfaction and allegations are more.

- **Effective Communication**

Two-way communication is the key to succeed in the multicultural organizations. People tend not to understand or misunderstand people who don't belong to them. Thus, intra organizational communication; both horizontal and vertical becomes very important.



Figure 2

The above figure shows various roles of the leader in a multicultural organization.

Findings and Conclusion

The research was being carried for the purpose of knowing the role of leaders in planning strategies to bring people from different backgrounds together and achieve organizational goals. Complex organizational problems may be solved through proper planning and coordination of diversified workplace. The role of the leader becomes even more vital and significant in such organizations as steps of balancing and neutralizing their thoughts and taking benefit from their unique abilities adds to the routine leadership tasks. The researcher recommends open communication and transparent policies to achieve desired goals in these organizations. Benefits are many but they can be derived with the positive role and greater efforts of the leaders.

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