

Diversity, global leadership and the importance of international experience in today's business world

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After spending five months in Singapore on student exchange and six weeks in Australia on an internship, the importance of international experience and the advantages that diversity brings to the table in a globalised business world has appeared more clearly to me than ever before. In this blog I will share my thoughts on these matters and why I think they will become even more important than they already are for businesses and leaders all around the world.

When arriving in a new country there is a lot of different information to process and impressions to digest. There are certain norms and social rules expected to be complied with, which could diverge a lot from the corresponding norms and rules in your home country. When I arrived to Singapore for my exchange semester, the acclimatisation to the heat and humidity was not the only big adjustment. A contrasting study environment with a more competitive attitude was something completely new to me and at first very challenging and overwhelming. However, after some time in this setting I embraced it and when the semester came to an end I realised that it had a big impact on my learning curve and ability to apply new perspectives that my fellow classmates with various backgrounds helped provide.

Why diversity is an advantage

Diversity in the workplace has with the increase of globalisation in the world grown as a trend. Being in a diverse setting challenges yourself to think outside of your usual box, while enhancing your current perspectives with new inputs and provides new ways of approaching problems. There are many academically grounded arguments¹ for why diversity can provide a competitive advantage, including:

- **Resource acquisition** – *As firms develop a good reputation as a favourable employer in terms of diversity, it will create an important edge in the race for the best personnel.*
- **Marketing** – *Insights and cultural sensitivity from employees with roots in different countries and cultures could improve marketing efforts.*

¹ Cox, T. H., & Blake, S. (1991).

- **Problem solving** – *A diversity of perspectives and heterogeneity in groups can enhance decision making, problem solving and provide a more critical analysis of problems.*
- **Flexibility** – *Less “standardised” groups could create better flexibility and faster reactions to change.*

These are just some of the perks that come with diversity, and while there are potential issues that come with it as well, it seems much of the research agrees that the pros outweigh the cons. Just as discussions are usually more interesting and developing in a heterogenic group of people, the same goes for work-related discussions, problem solving and decision processes, from personal experience. It makes sense that a wider scope of information, experience and knowledge create a foundation for better, higher quality decisions and outcomes. As the world becomes smaller, this will not only be applicable to MNCs but also smaller, national companies wanting to stay competitive.

Success factors for global leadership

So what will it take from leaders around the world to embrace these relatively new elements of business and utilize it in order to turn it into a competitive advantage for the firm? Well, there are certain abilities and skills that seem to be inevitable to possess in order to stand up to the challenge. Osland, Oddou, Bird and Osland (2013) found five areas that defined the way global leaders work and approach problems. One of these areas was strategic thinking, which was divided into these sub-themes:

- **Seeing the global big picture** – Systems thinking was a common skill amongst leaders. As the tasks were complex it demanded a parallel tracking of factors within interrelated systems and the ability to have a holistic view.
- **Thinking a step ahead** – Due to time pressure, working on several steps of a process at a certain time was not uncommon.
- **Considering alternatives to the present strategy in case it fails** – Back up strategies ready to implement in case the previous one fails was vital, one strategy simply was not enough.
- **Balancing the people and business side of decisions** – The ability to balance the long-term human implications of decisions with the business side of the situation.

All of the above have a common factor in that they all demand flexibility and an ability to adapt to new situations, characteristics which are important for all leaders but in particular to leaders on the global playing field.

Further experience viewed as important in order to be an effective global leader includes that one should have lived in and/or travelled to other countries, speak more than one language fluently, have previous international assignment experience, have studied or been schooled abroad and have experience of managing global teams, for example. All of these factors are most likely not deciding in of one becomes a successful global leader, but the value of living abroad has been proved by academia² to be a differentiator in terms of competence of successful global executives, proving the advantages of exposure to new cultures, places and people in today's business world.

² Cohen, S. L. (2010).

References

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