



## CULTURAL LEADERSHIP

By Betty Murambadoro & Kabanda Lilanda

### BETTY MURAMBADORO

Deputy Head Corporate & Investment Banking and Head Client Coverage,  
Standard Bank, Zimbabwe



#### **Area of Expertise: (Research Paper Theme): Cultural Leadership - The Next Leadership Frontier**

Having been immersed into the Eswatini market for two consecutive years, this was quite a befitting theme to research on. It was quite enlightening to discover the value of cultural intelligence, cultural fluency, cultural competence, cultural leadership or simply what some scholars call CQ. The ability to navigate multiple cultural settings and still achieve a conducive environment for learning, continuous improvement and innovation, is of paramount importance, particularly to the multinational corporations. There seems to be

a lot of hype on cultural knowledge and awareness yet so little focus on how to develop a culturally intelligent leader who goes beyond just learning a culture, but able to navigate different cultural settings and bring in the much-needed innovation as well as improvement to the business. So much literature has been shared on the value of intellectual intelligence (IQ) and emotional intelligence (EQ), sadly little on yet another deeper intelligence category, in the form of cultural intelligence (CQ), which corporates do not seem to recognize enough and invest inadequately. In some cases, the international assignees are deployed without adequate cultural immersion or necessary tools to prepare them for the daunting task of learning to do business the "right way" in the assigned markets.

The key findings seem to suggest that not many organisations have consciously developed a cultural intelligence strategy. Many a times, the international assignees or staff interfacing with cross border business partners, are left to discover on their own how to navigate multiple cultural settings. It is not that the organisations lack cultural knowledge or awareness but they simply do not go the extra mile to translate such knowledge into practical cultural fluency usable in wisely navigating the international terrain. The outcome of the research also revealed that there seems to be limited investment in developing culturally fluent global leaders and not so much attention on fostering culturally intelligent organisation. Of paramount importance to the multinational leader is to not be detached from the host countries' realities but to immerse deeply into comprehending the cultural context in the different countries, while taking a multiple stakeholder approach to ensure that the needs of both the home-country and host-country stakeholders are not compromised unnecessarily. With the ideal level of cultural intelligence, it is possible to figure out how to correctly embrace the needs of these stakeholder universes.

Betty holds a Master of Commerce in Development Finance (MCOM), Master of Business Leadership (MBL), Bachelor of Commerce Finance Honours and a Diploma in Credit Management.

### KABANDA LILANDA

Retail Director, First National Bank, Zambia



#### **Area of Expertise: (Research Paper Theme): Cultural Leadership - The Next Leadership Frontier**

A dedicated and results-driven banker with an extensive portfolio of successfully managing development oriented programs, projects, segments and products across Africa.

Kabanda has over 20 years of senior banking management experience spanning Corporate, SME and to a greater extent, Retail divisions.

He is currently Retail Director, FNB Zambia. Prior to joining FNB Zambia, he worked at Barclays Africa Group Ltd in Johannesburg, South Africa under the Retail & Business Banking Division looking after sales across their 12 African markets.

He holds an MBA from Edith Cowan University, Australia.



# CULTURAL LEADERSHIP

## TOPIC:

THE NEXT FRONTIER FOR THE MULTINATIONAL CORPORATION TO MAINTAIN ITS “DNA” AND YET ADAPT TO LOCAL DICTATES

By Betty Murambadoro & Kabanda Lilanda

## CONTENTS

<b>1</b>	<b>ABSTRACT</b>	<b>1</b>
<b>2</b>	<b>INTRODUCTION AND RESEARCH FOCUS</b>	<b>2</b>
<b>3</b>	<b>LITERATURE REVIEW</b>	<b>3</b>
	Culture and Cultural Dimensions	3
	How cultural differences manifest	5
	Unpacking Cultural Leadership and Assessing the MNC executive for CQ	5
	Importance of CQ and Risks of not getting CQ right	5
	Benefits of CQ, Measuring CQ and Developing a CQ strategy	6
<b>4</b>	<b>RESEARCH METHODOLOGY</b>	<b>6</b>
<b>5</b>	<b>RESEARCH FINDINGS, ANALYSIS AND DISCUSSION</b>	<b>7</b>
<b>6</b>	<b>RESEARCH IMPLICATIONS AND RECOMMENDATIONS</b>	<b>18</b>
	Practical Recommendations - Personal, Team, Organizational Levels to Enhance, accelerate and Entrench CQ	18
<b>7</b>	<b>CONCLUSION</b>	<b>20</b>
<b>8</b>	<b>REFERENCES</b>	<b>21</b>
	<b>APPENDIX</b>	<b>22</b>



# 1. ABSTRACT

*... There seems to be a lot of hype on cultural knowledge and awareness yet so little focus on how to develop a culturally intelligent leader...*

This research focuses on investigating the multinational corporations' ("MNCs") leaders' understanding of cultural intelligence in navigating the African continent. There seems to be a lot of hype on cultural knowledge and awareness yet so little focus on how to develop a culturally intelligent leader who goes beyond just learning a culture, but able to navigate different cultural settings and bring in the much-needed innovation as well as improvement to the business.

So much literature has been shared on the value of intellectual intelligence (*IQ*) and emotional intelligence (*EQ*), sadly little on yet another deeper intelligence category, in the form of cultural intelligence (*CQ*), which corporates do not seem to recognize enough and invest inadequately. In some cases, the international assignees are deployed without adequate cultural immersion or necessary tools to prepare them for the daunting task of learning to do business the "right way" in the assigned markets.

The extended complexity emanates from the thought that cultural leadership in itself is viewed as experiential, making it difficult to learn it the conventional way. In this regard, this research focused on reviewing the extent to which multinational leaders understand what cultural leadership really means, what exactly makes a culturally-competent leader, how to measure this attribute and most importantly developing a cultural intelligence strategy.

The risk of not getting cultural competence right and the benefits of a culturally-competent organization seem to have been underestimated. Could this partly explain why some multinational corporations record varying levels of success across markets?

The research relied on primary data given the need to probe and interrogate the subject matter. A sample of MNCs with a minimum trading history of ten years

was randomly chosen in four African markets. Insights gathered from direct cultural immersions in selected African states were also incorporated to validate views and check for alignment with literature. The key findings seem to suggest that not many organisations have consciously developed a cultural intelligence strategy. Many a times, the international assignees or staff interfacing with cross border business partners, are left to discover on their own how to navigate multiple cultural settings.

It is not that the organisations lack cultural knowledge or awareness, but they simply do not go the extra mile to translate such knowledge into practical cultural fluency usable in wisely navigating the international terrain.

The outcome of the research revealed that there seems to be limited investment in developing culturally fluent global leaders and not so much attention on fostering culturally intelligent organisation.

Of paramount importance to the multinational leader is to not be detached from the countries' realities but to immerse deeply into comprehending the cultural context in the different countries, while taking a multiple stakeholder approach to ensure that the needs of both the home-country and host-country stakeholders are not compromised unnecessarily. With the ideal level of cultural intelligence, it is possible to figure out how to embrace the needs of these stakeholder universes.

### Key words

*cultural leadership, cultural competence, cultural intelligence, cross-cultural management, cultural fluency, CQ, multinational corporations, international assignees, cultural intelligence strategy*

## 2. INTRODUCTION AND RESEARCH FOCUS

“There is a way of doing business the Egyptian way”, remarked one of diplomats on a cultural immersion of the Egyptian market, in trying to explain how some top corporates from the southern part of the African continent successfully launched their businesses in Cairo, only to fold within three years. On a similar cultural immersion, it was fascinating to discover the uniqueness of the scores of coffee shops dotted around Casablanca where men are said to converge to exchange business intelligence, engage in crucial conversations and ultimately make important decisions influencing or affecting how business is done in Morocco. Within the same cultural study period, it was a sobering experience to sense the wounds of apartheid documented and on display in the South African historical monuments and selected tourist sites. Of what relevance is this to the multinational corporation (MNC) seeking to grow into and beyond these sampled markets?

The Society for Human Resource Management (2015) speaks of a unique skills-set termed “cultural competence”. In other writings, this is used interchangeably with cultural leadership, cultural intelligence, cultural astuteness and cross-cultural management. Hill C (2003) in *International Business* gave a thought provoking insight when he attempted to explain what he termed “a basic difference between doing business in the West and doing business in China”. He shared a story involving McDonald’s Corporation’s very first restaurant in Beijing. The outlet was strategically located close to Tiananmen Square, perhaps explaining the reason why sales surpassed expectations within two years. When the corporation still had 18 more years to run out of the 20 years contracted, the Beijing City government decided on new use of the land on which the restaurant was situated. “Rightly-so” and based on understanding of contract-law, the corporation took to the courts but lost that case and had to move. A comment on this outcome from the media, simply said that McDonald’s “lacked the guanxi of Li Ka-shing” and therefore should not have expected to prevail. Hill (2003) defines the “guanxi” as simply relationships or connections in navigating one’s way through, which ranked stronger than rule of law in this instance. This indeed presents yet another challenge on balancing between own ethical standards and understanding how to contest logically the rationale behind a decision made by host country authorities. This

perhaps is explained by Trompenaars F and Woolliams P (2016), in their article “Lost in Translation”, where they identified the uniqueness rule-centred and relationship-centred cultures. In the article, China is cited as strong is value relationship above abstract rules, guiding likely reaction to particular circumstances. This was cited in contrast to the United States of America and Britain, where rules are globally applicable.

For purposes of this paper, all these terms are collectively abbreviated “CQ”. Such level of cultural leadership goes far beyond mere cultural knowledge or cultural awareness. SHRM (2015) highlights CQ to be a “critical capability for navigating today’s increasingly global and diverse business environment”. This entails that the complexity in cultural diversity is not brought about by travel in multiple jurisdictions only but that cultures are crossed even through electronic means brought by the digital platforms.

This paper discusses the core cultural dimensions which organisations keen to grow further across Africa must navigate. As the MNCs navigate these it is important to explore how well the concept of cultural leadership is understood and why the CQ subject is becoming topical in recent studies. With globalization and digitization, even for MNC individuals operating within the confines of the home country business, there is inevitable interaction with cross border entities, making cultural leadership become a new “non-negotiable”. Lewis RD (2018) rightly points out that cultural diversity is not something we can wish away and will therefore always be there. This he argues gives the reason why we should in fact strategize on this sure foundational understanding. Digging into understanding such diversity is viewed as beneficial in the long-run. Lewis sees the diversity manifesting in behaviours, thinking patterns and views, which may in some instances seem irrational, inconsistent and contradictory to others’ societal norms. Accordingly, he argues that one can in fact make intentional effort to unpack the justification for such clear patterns and still find ways to navigate through. Having embrace this one can, with some degree of accuracy, predict what the likely impact of an organization’s plans are likely to be received, interpreted and reacted to. This Lewis (2018) finds quite instrumental to the corporates in minimizing unwarranted surprises. He brings out the

element of cultural intelligence in that such insights enable successful interactions with nationalities previously viewed as difficult.

Though not included in the research conducted, intra-company cultural diversity is also prevalent in organisations as different business units within have different cultural dynamics. Added to this are, silos separating the units, which also come with own culture. These can be observed within the MNC across functional business units and the at the MNC country-to-country level. A higher level of complexity within the MNC arises across multiple geographies during mergers and acquisitions. An even more complex level, which forms the basis of this research is on the cross border cultural dynamics in the external operating environment.

Psychometrics tend to test IQ and EQ yet CQ is more of an experiential component of a leader. How then can MNCs maintain corporate DNA yet be agile enough to adapt to host country dynamics? This forms the main problem on which this research is based. That said, there could be sub-problems surfacing such as preparing the international assignee prior to deployment into international mission, assessing CQ level post deployment, then formulating, implementing and measuring CQ strategy at total organizational level. Could there be other subtle sub-cultural dimensions the MNCs are yet to discover in host countries, in general? To what extent in the selection and deployment of international assignees or candidates dependent on IQ, EQ and CQ?

### 3. LITERATURE REVIEW

Lewis RD (2018) sees the increased pace of globalization, rapid digitization and need to foster diplomatic ties politically and economically as driving the pressure to learn to interact successfully with foreign stakeholders. This, he believes has become not only becoming increasingly desirable but also essential. His remarks seem to suggest that it is not enough to be aware of a number and variety of cultures but more important to then know how to navigate the diversity and ultimately achieve organisational goals in those foreign lands.

Key themes arising from literature include the importance of cross-cultural training and a practical immersion into the international markets mainly for purposes of minimizing misunderstanding and fostering genuine relationship building. In venturing into foreign lands Lewis equates the international assignee to a trainee who effectively needs to study, analyse and experience the foreign partners' cultural stance and find ways to fit in appropriately.

A key question arising is on how exactly and how often such adaptations to be done, to get to a comfortable level of cultural intelligence. Another key theme arising is the acknowledgement that this is an intimidating task to undertake even for the most intelligent international executive, but remains important. It does sound though as if such there is a lot of focus on intellectual intelligence

and emotional intelligence in determining deployment of international assignees and only to then figure out experientially the third form, being cultural intelligence.

Yet another theme, strongly emphasized by Hill C, states that "business success in a variety of countries requires cross-cultural literacy" (p88). This goes beyond just knowing the cultural elements but understanding how such will affect the way business is done. Even behind those digital or electronic platforms, where it is often easy to forget the cultural differences underlying, Hill, emphasizes that these difference remains and cannot be wished away. He acknowledges that there is an underlying relationship between nature of the host country's culture and cost of doing business. A key element the global leader should intelligently deduce along. Yet another trait of a culturally astute executive is to read the trends and observe when a culture and its various dimensions are evolving and know how and when to tweak strategic priorities in the host country.

#### Culture and Cultural Dimensions

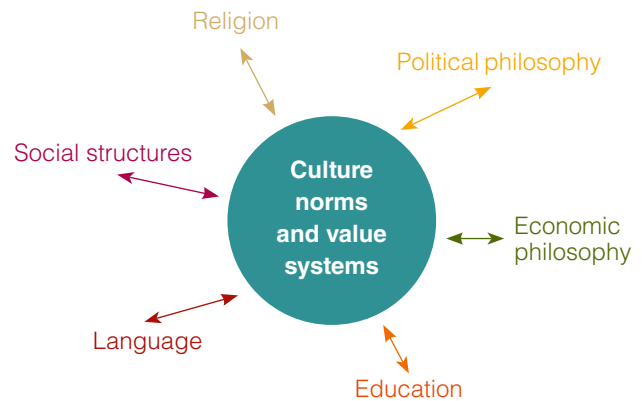
SHRM (2015) defines culture along themes of organizational style, ethos as well as national tastes in terms of customs, traditions in foods, entertainment and trends. For purposes of this research and in the context



of unpacking CQ for the multinational leaders, the term “culture” is broadly defined as “how things happen here”. Hofstede G (1980) defines culture as “the collective programming of the mind that distinguishes the members of one category of people from another”. Lewis RD (2018) further reiterates that basic upbringing of children exposes them to various sets of instructions which are deemed to be relevant to each specific environment.

These are then developed in norms, beliefs or habits at national and even regional levels to such depths that make them difficult to do away with, regardless of what other societies’ views are. Indeed, there may be universally accepted human characteristics, but Lewis argues still that these are not abundant on account what he calls “national collective programming” distortions. To bring an element of reality on the ground, Hill C (2003) gives a simple illustration on national differences. He rightly points out that what may sell in one country may not sell in another, all because of differences in national tastes and preferences. This, according to Hill, affects a retailer from adopting a one-size-fits-all approach of using a centralized purchasing arrangement, buying the same products for the same global suppliers and selling worldwide. This sounds strongly supportive of learning to customize strategy to the very needs of specific markets. Hill ultimately views culture as “a system of values and norms that are shared among a group of people and that when taken together constitute a design for living” (p89). For purposes of this research, culture is defined as simply “how things happen here”.

According to literature there are different cultural dimensions sets, some classified by behavioural drivers, while others are defined along broad value systems. For purposes of this research the focus is on assessing the MNCs’ appreciation of cultural leadership’s importance and what organisational traits or strategies prepare them to navigate the level of influence the following eight cultural dimensions: - local customs and traditions, social organisation, religion, language, forms of government and political system, economic system, country regulations and policy as well as arts. It is interesting to also understanding what weighting each of these carry in influencing success of the MNCs across multiple jurisdictions. This is largely informed by Hill’s illustration below on what he terms The Determinants of Culture, in which he explains that culture evolves from several factors.



Source: *International Business – Competing in the Global Marketplace, Fourth Edition, Charles WF Hill, p91*

According to Lewis, there are numerous behavioural cultural types, and this does bring in complexity in attempting to familiarize with each of the cross cultures. Some have attempted to classify groups according the geographical divisions, namely, northern, southern, eastern and western culture. Others have attempted to bring descriptors based on religion, for example Muslim, Christian, Hindu and more. Classification based on race, such as Asia, African, European, Arab and more also bring yet different type of cultural understanding. Categorization by political inclinations, such as Left, Right, Centrist and more can also direct thought towards certain cultural inference.

Hofstede on the other hand perceived a different set of cultural dimensions to cover all culture types. His dimensions are power distance, collectivism versus individualism, femininity versus masculinity, uncertainty avoidance and long-term versus short-term orientation. However, Lewis perceives that, classifications based on generations, while important but still subjected to change and generally, there is likelihood of further sub-categories under each of these classifications.

**The common binding forces behind all these classifications, according to Lewis, are based on the need to:**

*“Predict a culture’s behaviours;  
Clarify why people did what they did;  
Avoid giving offense;  
Search for some kind of unity;  
Standardize policies.....”*

### How cultural differences manifest

The discussions from literature above suggests that doing business internationally is more complex than in the national context, because of the diversity of societies in the global marketplace. The cultures vary mainly because of dimensions such as those illustrated by Hill. As Hill puts it “one of the biggest dangers confronting a company that goes abroad the first time is the danger of being ill-informed” (p113). From an intra-company perspective cultural differences manifest across different business units and cross border but within the same MNC in cases of mergers and acquisitions. However, the situation gets more robust in the broader external environment, where the MNC interacts with the multiple operating environments in different markets. The challenge is that what may seem to work in one jurisdiction may fail to work totally.

### Unpacking Cultural Leadership and Assessing the MNC executive for CQ

The working definition for Cultural Leadership provided by Duke Corporate Education (2019) at the African Expansion Programme (AEP) 2018, states that it is “the ability to operate in different cultural settings and driving a culture of innovation, learning and continuous improvement”. Worth-mentioning is the fact that the AEP class of 2018 comprised twenty bankers from twelve nations. A common theme arising from the diverse nationalities in this class is how there is emphasis on standard operating procedures and insistence on “cutting and pasting” ways of working across multiple geographies. Contrary to this, one of the regulators during the class cultural immersion in Egypt, while acknowledging the value of adopting international best practices emphasized the need to gather a network-of-believers first in the domestic market with a view to massage-in and customize the “newly found” international idea. In this context, the regulator demonstrates the importance of comprehending the country context and seeking buy-in persuasively, thereby enhancing the success rate of implementing policy.

What makes a culturally competent MNC leader? Can we tell if there is cultural fluency in an executive? Earley and Mosakowski (2016) talk of six cultural intelligence profiles which they believe most leaders to fit under. What probably resonates here is how well organisations can at least attempt to assess under which category each potential international assignee likely belongs to, to determine where such resource can be correctly deployed to and achieve phenomenal success in stimulating a vibrant organisation capable of fostering innovation, learning and continuous improvement.

<b>The Provincial</b>	More of a “localized” mindset, largely effective when working with similar background groupings but struggles when operating with unfamiliar people groups or individual
<b>The Analyst</b>	Systematically decodes a foreign peoples rules and expectations, through multiple learning techniques
<b>The Natural</b>	Solely depends on instinct and not any methodical learning techniques
<b>The Ambassador</b>	By some unique means, somehow can convince that they belong to that cultural setting even without much knowledge of that culture
<b>The Mimic</b>	Has ability to pick cultural cues and attempts to mimic host country people in a manner that builds a sense of connection and ease
<b>The Chameleon</b>	Can easily be mistaken for a local.

Source: HBR's 10 Must Reads On Managing Across Cultures, Christopher Earley and Elaine Mosakowski, 2016

### Importance of CQ and Risks of not getting CQ right

In explaining the complexity of navigating cross-cultural differences, Meyer E (2004), in the article “Navigating the Cultural Minefield”, points out that even the most experienced leaders often have wrong perceptions about how people in other cultures operate. Meyer eventually developed a Culture Map, which is viewed to be instrumental in picking out salient cultural gaps which can potentially influence how business runs daily in selected foreign lands. Succeeding at home may not necessarily translate in success in a foreign mission, according to Black S and Gregersen HB (2016). Their view is premised on the idea that deployment is not necessarily because of technical or intellectual abilities only but more importantly should be based on confidence in that the international candidate has demonstrated capability to adjust comfortably into different cultural settings or ability to navigate cross-cultural differences. In addition, they argue that entities that have achieved significant track records with international deployment of staff are those that have equated intellectual intelligence with cultural intelligence. They argue that organisations often send




the wrong people on international assignment. “Wrong people” not because of lack of technical know-how but the lack of essential ability to adjust to foreign cultures, customs and business perspectives. The impact of such poor cultural preparation often results in loss of sales, failure to conclude deal negotiations, and so on. Neely T (2012) in the research paper “Global Business Speaks English” brings an interesting example on how one can just humbly learn a globally understood language as a means of increasing the number of people to communicate with. This is unlike a case where one insists on using own native language for fear of being robbed of own cultural heritage. Neely simply argues that it is far much better to have a more people to communicate with across the globe, and ultimately enhance capacity to spread your brand.

### Benefits of CQ, Measuring CQ and Developing a CQ strategy

Black S and Gregersen HB (2016) in their research work entitled, *The Right Way to Manage Expats*, rightly point out that it is not a luxury at all to have a “workforce that is fluent in the ways of the world”. They view this to a form of competitive must-have. Sadly, in their study they discovered that a fairly large percentage of expatriates fail to perform to expectation because of struggling to adapt to foreign cultures or because they simply think that the same ways of working apply everywhere. Probably the worst-case outcomes, the two authors deduces are that the international assignees may then fail to meet superiors’ expectations or even end up moving on to other organisation immediately after repatriation. The reality, according to Black and Gregersen, is that most organisation entrust the training and development of expatriates to the human resources colleagues, who in most cases may not have been adequately exposed themselves to such international assignments, hence limited understand to professional challenges of operating outside home countries.

In discussing the importance of “sending the right people” on foreign assignments, Black and Gregersen propose introduction of tools for assess cultural sensitivity, eliminate some from the expatriate pool and consider upskilling some to build cross-cultural competences. Post deployment, they also found that the largely successful expatriates were those who spread themselves wider beyond the closed circle of fellow expatriates in host countries and “established social ties with residents”. This is a way speaks to delving into cultural fluency by voluntarily experimenting with host countries customs.

According to the Society for Human Resource Management article “Cultural Intelligence” (2015), entities rated highly on cultural intelligence should expect the outcomes illustrated below.

- 
1. Expansion into culturally diverse markets
  2. High-quality service to diverse customers and clients
  3. Speed and efficiency
  4. Productive assignments
  5. Being an employer of choice
  6. Team effective ness
  7. Profitability and cost savings

## 4. RESEARCH METHODOLOGY

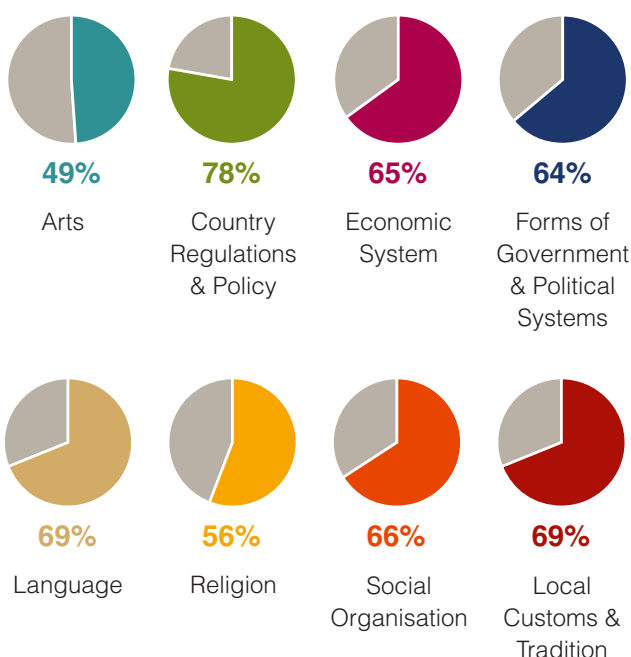
This research focused on cultural immersions conducted in South Africa, Egypt, Morocco and Angola. The insights which stood out during the country immersions were also incorporated in formulating the content of the questionnaires and interviews which were administered in, Zimbabwe, Zambia, South Africa and Eswatini.

The sample comprised twenty executives from different multinational corporations with a minimum trading history of 10 years in the four countries. A semi-structured questionnaire comprising thirteen questions was sent to the twenty executives employed by selected multinational corporations. The questions were structured in a manner that allowed open thinking and room for further probing.

## 5. RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

The research participants were asked to rank the cultural dimensions on a scale of 1-8 in terms of perceived influence on the success of the organization's cross border business expansion across Africa.

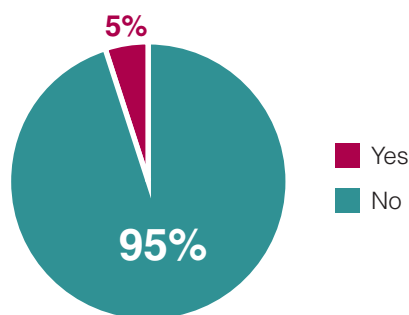
### Perceived influence on the success of your organisation's cross border business expansion across Africa?



Country Regulations and policy had the highest ranking with 78% as a cultural dimension perceived to have influence on the success of participant's organizations cross border business across Africa with Art being the least with 49%. However, the differences in the ratings were inconsequential, an indication that these cultural dimensions are possibly inter-twined and together they have material impact in painting the operating environment.

**As shown below, participants were asked to confirm if they believed Cultural Leadership plays a significant part in the ability of a Multi-National Corporation (MNC) to succeed in its expansion across Africa and why they thought so.**

### Do believe that Cultural Leadership plays a significant part in the ability of a Multi-National Corporation (MNC) to succeed in its expansion across Africa?



95% of participants believed that Cultural leadership played a significant in the ability of a Multi-National Corporation (MNC) to succeed in its expansion across Africa with 5% believing there are certain values that an organisation can uphold in defining its own culture and these should be understood by employees to serve customers to the standards the MNC believes are best in class.

### The reasons stated below are for those that believed Cultural Leadership plays a significant role in expanding across Africa;

- need for compatibility on cultural leadership
- without cultural leadership it is difficult to maintain relevance to communities
- leaders must not assume experience from one African region can simply be extended to the next
- it will assist leaders navigate through complex business environments
- there needs to be a conscious effort by leadership to research, acknowledge and navigate the different cultures that are found across Africa
- acceptance and sustainability thrive on cultural leadership and management
- without understanding the cultural aspects of a country and incorporating this into your leadership and strategic execution the chance of failure increases
- cultural connection which will be achieved by cultural leadership is key in fostering trust

- customization of products to suite culture
- it helps the business to be innovative
- appreciation of people's values enables one to get the best out of them
- culture is diverse and in its various forms has bearing on work, appetite for innovation and technological change
- drives change and advancement for an MNC

- Africans are proud of their culture hence embracing it results in recognition for the MNC
- Improves networking

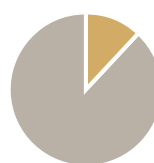
- Africa is not a homogenous investment destination it is characterized by diverse cultures
- Varied regulatory frameworks
- no one size fits all
- organizations need to be flexible enough to adopt each market differently to achieve its results
- understand different cultures, practices, sensitivities, approaches and history to be relevant to clients, vendors, service providers and regulators to effectively operate in each country

- the absence of strong political integration in Africa regions makes it even more important for MNCs to be locally engaged
- to remain sensitive to the aspect of cultural issues with political overtones to sustain their social license to operate
- Entry into new geographies requires an extensive understanding of the culture and belief of the new target market

- without respect and appreciation for the local culture and practices, communicating your strategic intent and getting local stakeholders to buy into it will prove difficult
- the beliefs and values of people can impact any development initiative

Below are the summarised themes emphasizing that cultural intelligence is important in the ability of the leader to navigate the operating environment, promotes innovation as well as better adaptability to the regulatory landscape.

### Why Cultural Leadership plays a significant part in the ability of a Multi-National Corporation (MNC) to succeed in its expansion across Africa



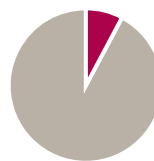
12%  
Other



8%  
Relationship  
with  
stakeholders



20%  
Adapt to  
varied  
regulatory  
frameworks



8%  
Improves  
networking &  
recognition



20%  
Promotes  
innovation



32%  
Importance  
of Leadership  
adaptability

**Below are the responses given on what the participants believed to be some of the tools, initiatives & programs that should be implemented to ensure that large Multi-National Corporation (MNCs) have better cultural quotient leaders going forward.**

- Regional leadership exchange to enable more awareness to cultural issues by leaders
- exposure results in making multicultural teams from the onset
- cultural inductions
- Cultural immersions where leaders regularly walk in shoes of their employees and customer
- For deeper immersions use of global immersions
- exposing leaders to diverse cultures so they ground their vision of the future of the company in the cultural evolution of the regions they will be operating from
- sustained visits to those markets for formalization

- Training
- Strong coaching
- Cultural initiation and appreciation for all executives
- All senior leadership to be taken through cultural training to improve awareness and understanding of various cultures that exist in Africa
- Cultural committees must be established by HR to look at educating Head Office level staff on the diversity of managing and motivating staff across Africa to drive performance
- programs /initiatives can be used as an initial foundational block in improving CQ
- Training on cultural flexibility
- Multi-Cultural leadership training
- Anthropological studies

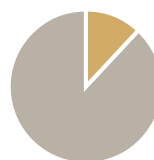
- recruitment of culture conscious leadership
- leadership should be multi-cultural cutting across race, colour, ethnicity as well as language barriers
- workers tend to support leadership that is not foreign “embrace your own” effect
- leaders are to understand both spoken and unspoken cultural dynamics
- introduce Cultural Awards that recognize and reward leaders that have demonstrated high CQ

- encourage cross-border teams
- CQ is improved by how leaders behave and the emotional connections they have with teams and stakeholders

- Participative leadership i.e. involve head office & country stakeholders in making decisions
- Regular cultural awareness programs to be part of an organizations DNA in form of Cultural Immersions
- Organisational surveys should also include measures on Cultural alignment
- Organizations may take part in sponsoring cultural activities

- proper recruitment of managers who will be successful in a variety of different cultures

**Tool, initiatives & programs that should be implemented to ensure that large Multi-National Corporations (MNCs) have better cultural quotient leaders going forward**



**15%**  
Other



**8%**  
Incorporating  
multicultural  
teamwork



**19%**  
HR and  
the right  
recruitment



**35%**  
Training /  
programs



**23%**  
Cultural  
inductions  
for exposure

35% of the participants believed Training and Coaching as the best tools which should be implemented to ensure that large Multi-National Corporation (MNCs) have better cultural quotient leaders going forward.

**Below are the views shared on what the participants believe to be the benefits of high cultural intelligence as well as the summarized themes derived.**

- being identified as part of their society
- strong relationships with key stakeholders
- realization of lower potential of cultural clash in the way organization packages, presents and communicates its products with customers
- they appreciate and are aware that one size does not fit all and as such tweak their strategies to meet individual countries
- aligning with local regulatory requirements and clientele norms
- its more dynamic, rich in cultural diversity and caters for multinational stakeholders who may be key decision makers that influence the outcome of any business potential

- building meaningful relationships with customers and stakeholders
- socially responsible organisation that builds on its social capital and satisfy culturally sensitive stakeholders
- communication with stakeholders is improved
- you can manage the do's and don'ts as culture differs
- it will motivate staff
- client loyalty
- increased brand reputation

- serving clients effectively and efficiently
- enhances the level of business engagement that the leader can deliver to strike resonance with stake holders
- diversity orientation and acceptance will make the organisation more effective and efficient
- CQ can be applied effectively to give the organisation an edge over its competitors by incorporating relevant elements into its business approach
- they can tailor make products/services to suite individual markets enabling easier penetration and growth
- vital for worker efficiency, quality of service
- better employee productivity
- increased company performance and high returns on investment
- improved financial performance
- high productivity and staff engagement

- adoption of different leadership styles makes it possible to rally teams towards set goals
- inculcated a sense of belonging as diverse groups within the organisation feel accommodated and respected
- achievement of team goals will be easy
- it is always good for staff to feel we are in it together for the common good than experience where on feels they are her to extract value from us
- guides all employees on how they should behave within the organisation

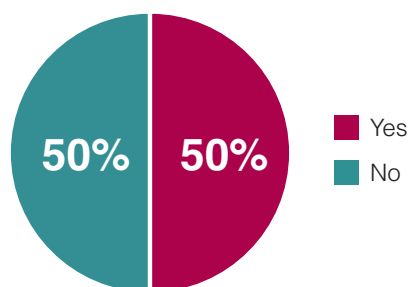
- competitive edge to a business as CQ improves communication, corporation, teamwork and performance
- it works as competitive advantage in the organization
- cultural cohesion is always of the essence which help galvanize identity and ownership
- provide uniform traits that should be followed by the organisation
- having a culturally intelligent organisation smoothest new entry of products or organisations in new areas
- sustainable strategies
- talent attraction and retention

- diversity- different perspectives bring new ideas which can catalyze innovation

34% of the participants believe that a business is most likely to benefit from strong relationships with stakeholders whilst 26% believe that it will make an organisation more effective and efficient in running their businesses.

**Below are the participants' response on whether their organizations have a Cultural Intelligence (CQ) development strategy? And if "yes" what the key/core elements of the strategy are.**

**Does your organisation have a Cultural Intelligence (CQ) development strategy?**



### If yes

- there are staff training programs on diversity
- a dedicated People Support Function with core messaging embracing an African organization and embracing the richness and diversity of the African spirit

If yes
• organization has culture change initiatives
• continuous development
• innovation
• deals with knowledge of staff on diversify and cultural orientation
• emotional intelligence and allocating staff to work in different cultures
• occasionally sends staff to foreign countries
• financial ability through merging of companies
• congratulatory messages are filtered in group email in celebration of different religious activities
• the organisation has 3 non-negotiable traits which are customer centered, continuous innovation and proactive win win attitude
• at group level the fusion of key competences at top leadership level consider cultural intelligence largely
• during strategy seminars cultural traits are discussed and disseminated to staff thereafter
• cultural tolerance
• language policies
• trainings to foster “clear of mind” approaches to other cultures
• Global culture day

If no
• there is however a diversity and inclusion strategy anchored on a tolerant culture for different races and gender preferences
• no formal group wide Cultural Intelligence development strategy however, each country has their local cultural committee to ensure that the bank promotes diversity and inclusion
• work is in place to create a strategy with emphasis of understanding the diverse markets and cultures
• no express CQ development strategy but the drive towards CQ is implicit in the banks value system and staff development programs
• High CQ is based on the leaders how they behave and what an employee feels from the engagement with the leaders. A disconnect results in low CQ
• not directly on CQ, but we invest in transformational and diversity as key elements in our strategy
• no formal strategy is in place

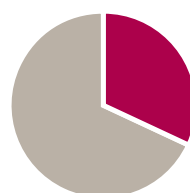
If no
• not that I'm aware of
• there is no cultural intelligence development strategy

The participants were asked to share thoughts on how one can possibly design, implement, measure and evaluate their organization's cultural intelligence (CQ) development strategy:

The feedback given clearly demonstrated lack of knowledge of available studies conducted on CQ and how this can be developed into a practical and implementable procedure. Most of the participants expressed ignorance on availability of CQ-specific literature and examples of organization which have successfully developed CQ strategies.

**The participants were asked to state what tools their organizations had in place to prepare international assignees before deployment across Africa in terms of cultural competence.**

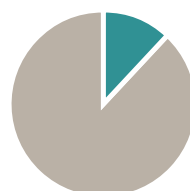
**Tool in place to prepare international assignees before deployment across Africa in terms of cultural competence**



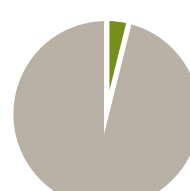
**35%**  
No tools are available



**43%**  
Training



**17%**  
Culture inductions & visits



**4%**  
Market Briefings





## Cultural Leadership

By Betty Murambadoro & Kabanda Lilanda

- cultural appreciation and induction when they get to host country which is done by an external vendor appointed
- Assignees are taken on a “look and see” pre-placement immersion into target country with their families. They spend time there to experience culture and familiarise at the expense of the organisation
- International assignees are provided with pre-location immersions where they spend time at their destination and experience the culture as a familiarisation visit at the expense of the organisation

- international assignees get to speak to the CEO and Head of Human Capital to understand how things are done in each market

- A consultant who handles expatriates is hired by the bank to help international assignees in a country for a month with their family

- International assignees are given literature prior to the move on how the business is performing and general information regarding the country dynamics prior to the move
- inductions- well researched report on the people, language, religions etc
- ongoing leadership trainings aimed at improving people skills including managing cultural diversity
- there are training presentations on the do's and don'ts in assigned countries eg. These are done when travelling to China whereby the organisation presents the do's and don'ts for the assignee to be culturally aware
- Cultural and diversity training
- Manual and handbook on culture diversities
- Training
- in our induction programmes we expose local as well as international staff to the cultural and transformational components. Post induction we continue to reiterate the importance of the transitional aspects

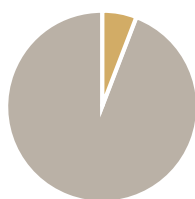
- the Standard Bank Group has a world class leadership centre where various leadership courses are offered to staff at various leadership and competence levels
- training courses held online
- training packs on importance of the clear mind policy when it comes to cultural intelligence and being adaptable to your environment

- Not aware of any tools the organisation employs for this sort of program
- No program is put in place yet of this kind
- Not aware of international assignees programmes
- I am not aware of any formal tools or programmes in place
- not aware
- these are done by senior management and have not been shared with employees
- none that I know of
- not aware if there are any

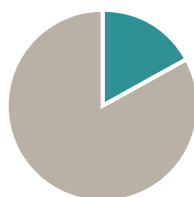
Whilst 35% of the participant's organizations did not have any tools in place, 43% mentioned that they had training programs in place to prepare international assignees before deployment across Africa in terms of cultural competence.

**Participants were given an opportunity to state what tools/programs they had in place to prepare their Head Office / Regional Staff in terms of cultural competence & appreciation when dealing with the various markets where they have representation in Africa.**

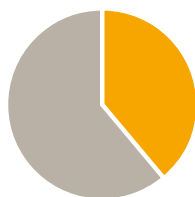
**What tools/programmes do you have in place to prepare your Head Office/Regional Staff in terms of cultural competence & application when dealing with various markets that you are represented in Africa**



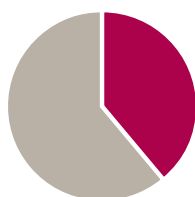
**6%**  
Other



**17%**  
Visits / Tours



**39%**  
Training



**39%**  
Not aware  
of any tools

- Not aware of any preparations
- None, not aware of any tools / programs forHQ/ regional staff
- None that I know exist in my organisation
- None
- these are done by senior management and have not been shared to employees
- Not aware of any preparations
- Not aware of any preparations

- Newsletters which contain information of various things happening across Africa
- having a head office that is culturally diverse

- there are learning programmes available to everyone on the Network Next platform on business conduct and client conduct to deliver the request soft skills required in fostering team cohesion
- Cultural trainings
- Handbooks and manuals on cultural diversity
- leadership programs and workshops conducted by the company incorporate courses on culture
- no formal training exists to assist Regional staff however upon appointment you are given literature on how each business is performing and general information regarding "do's & don'ts"
- Diversity training
- The organization has a world class leadership center where various leadership courses are offered to staff at various leadership and competence levels

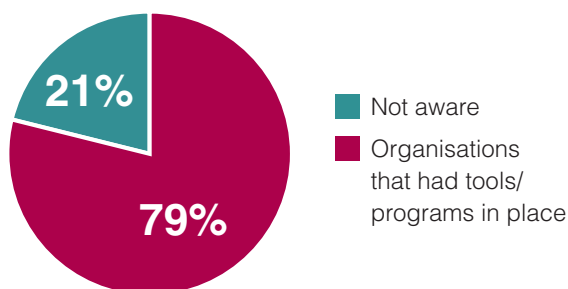
- Familiarization visits/tours
- Exchange Programs
- Introductory and regular country visits to geographies under individuals mandate provide good Cultural exposure

- fellow colleagues also informally share information and insights from their individual experiences particularly with new joiners

A combined 39% of the participants mentioned that they used training to prepare their Head Office / Regional Staff in terms of cultural competence and appreciation when dealing with the various markets represented in Africa whilst the other mentioned that they were not aware of any preparations in place.

**Below is the feedback given by the participants on what tools/programs they use to ensure that diversity, innovation and inclusion are fostered across the organization in managing the various cultures in the market that operate across Africa.**

**What tools/programs do you use to ensure that diversity, innovation and inclusion is fostered across your organisation in managing the various cultures in the marker that operates across Africa**

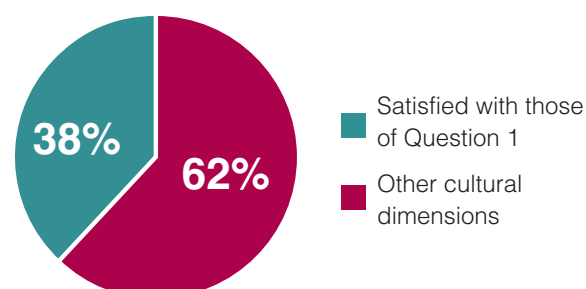


### Available tools;

- Mandatory online trainings of culture and diversity
- celebrations of key holidays for various nationalities and religions represented in the organization and reporting statistics
- Diversity and inclusion agenda sits very high in the organization priorities. There is a formal campaign that runs once a year to improve diversity and inclusion
- Encouraging people to share their unique stories/ pictures about their culture, belief and norms. These articles are then shared once a week via a newsletter that is broadcast throughout Africa via our intranet
- The Diversity and Inclusion culminates in a great gala and awards ceremony where individuals, teams and segments are given accolades based on their drive and ability to foster diversity and inclusion throughout the group during normal interactions

- Consciousness of and respect for cultural diversity is ingrained in the value system
- customization of broader group policies to meet local requirements
- pooling of head office personnel from across the Group
- there is increasing more leadership engagements that are focused on women development across the Group
- Deep diving into each market peculiarities has not been done
- promoting innovation and recognizing employees who come up with new ideas
- Trainings on culture and diversity
- Manuals and handbooks on cultural diversity
- "Are you a fan" surveys
- Client service insights surveys
- Programs- manager and employee of the year
- the broader D&I strategy is driven by Group, and applied within each country and each business unit
- selection process for courses ensure that participants are drawn from different countries and regions at any one point
- recruitment strategy- balanced approach
- communications of cultural developments to head office

**Below are the findings on whether the participants believed there are other cultural dimensions over and above those listed earlier in Questions 1 which have influenced their success rate in operations across Africa**



### Other cultural dimensions;

- Gender preference plays a key role in team dynamics as well. The level of tolerance for gender diversity can have a bearing on decision making by various stakeholders depending on cultural roots
- Embracing religion of different individuals
- Climate and environment
- Having the ability to listen and get feedback is important (UBUNTU)
- leadership that can integrate locally
- local leadership
- technological advancement
- demographics are also important
- unspoken social norms to be communicated as well to the executives
- having individuals from diverse cultures and background
- having the right people

The above additions reveal that there are multiple sub-cultures as well as other unspoken social norms which may require one to be immersed deeper into host country to comprehend.

**Asked on what makes a Multi-National Corporation culturally intelligent and what the characteristics are, the participants gave the following responses.**

MNCs that make a conscious effort to localize their group wide values to integrate those of the environments they are in and centrally adjust for new territories they enter. This brings an element of blending in the core parent office values with those of the host country. In addition, high CQ MNCs were said to be those that take time to listen to the unique views and wants of the customers and employees in the markets that they operate in. This was said to also calls for adjusting and adapting your strategy delivery to meet the unique demands for each country. Aligned to this, is the view that such MNC should have the ability to incorporate and localize its norms and values to reflect those of the environment it operates in and continuously adjust for new territories it enters. Internally, CQ competent organizations were said to have employee engagement and customer service policies which are always customized to create harmony within each locality of presence. Such level of engagement is enabled by

adoption of both top-down and bottom-up approaches in formulating and implementing strategy and change. The recruitment policies were also mentioned as offering an ideal platform to be deliberate in hiring diverse staff in terms of race, ethnic origin, and more, as a means of ensuring benefits from cultural diversity.

Unilever and P&G were cited as examples of consumer sector MNCs with ability to think and deliver local needs yet still working within their parent company cultural contrast. This was commented on as translating into flexibility and adaptability. Aligned to this, is a view that was presented that MNCs can deliver relevant local solutions by allowing locals to craft homegrown ideas and blend these with those from experts who will have been deployed in those markets. As a means of enhancing such level of collaboration, it was recommended ideal to get local team members to go and work in other countries, thereby achieving a higher cultural awareness. Below are additional initiatives suggested at human capital level and at overall business strategy level.

### HUMAN RESOURCES INITIATIVES

- employing locals
- cross pollinating cultural insights by moving staff around within the global network of the MNC
- team work
- having a diverse team that embraces differences in terms of background

### STRATEGIC VALUE DRIVERS

- use of local resources in the development of product and services that suite regional markets
- improving cultural awareness programs
- inculcating culture consciousness in strategy planning
- they have integrated local customs in their corporate identity
- an in-depth understanding of the local operating environment, business cultural diversity of the people including societal norms e.g. a brick and mortar retail branch network can provide vital insights by traversing that terrain invaluable experiences on many fronts including cultural dynamics

The insights gather on how one can inculcate cultural intelligence into all individuals across all the workforce are listed below.



10%  
Other



10%  
Diverse  
Teams



7%  
Allowing  
employees  
to express  
themselves



7%  
Providing  
Exposure



27%  
Engaging  
in cultural  
activities



40%  
Coaching &  
Training

- sustained training programs for all staff and immediate training for new ones
- coaching and training employees to easily adapt to cross cultural experiences
- training on ethics and cultural cooperation
- training
- by holding workshops on cultural intelligence
- deliberate training and exchange programmes for appreciation of different cultures
- continuous training on the benefits of maintaining organisational culture
- Providing tools for staff
- culture induction at entry
- toolkit on culture for all staff
- training to encourage cultural tolerance
- training employees to be culturally intelligent

- by engaging individuals
- cultural activities
- offering motivation by building in cultural objectives into the reward system
- cultural immersion
- creation of formal and informal engagement forums where cultural issues are discussed, and cultural awareness and education is fostered
- a winning organisation encourages interest for appreciation of culture diversity and supports greater awareness and sharing
- Incentivising

- giving them an exposure to different cultural environments
- exposure to initiatives across geographies even in email or shared platforms to teams and projects across locations

- diverse teams (i.e cross gender, race, nationality etc) in order to inculcate CQ
- teambuilding exercising
- promote cross cultural teams and projects for people to work together to discover differences and still achieve common goals whilst learning about each other

- employees should be bold to highlight behaviour that is culturally insensitive to their leaders who would be held accountable
- equality and respect for cultural diversity at each level and in every decision

- through leadership approaches in understanding the local nuances from MNC and equally equipping the workforce in countries to have CQ of their holding company.

- having a cultural diverse work force
- drive initiatives from top to bottom
- point of entry inductions are crucial. They provide stepping stones to establish the right cultures and ethical conduct and they are to be stressed across all levels of staff

40 % of the participants mentioned they would incorporate training and coaching to inculcate cultural intelligence into all individuals across all the workforce.

**Multiple ideas were thrown in address the very core question of this research, on how can a MNC can maintain its core 'DNA' yet intelligently adapting to the domestic dynamics of each market it operates in across Africa. Below are the unmodified responses captured.**

<ul style="list-style-type: none"> <li>First step is to understand the cultural landscape across all current and potential markets operations. The organization then needs to establish its core values and guiding principles which will form its core DNA. Products, services, process and procedure are then crafted around these core values which themselves have been crafted with due consideration to cultural diversity in Africa. Having done this the organization can now operationalize and customize for each domestic market but with full alignment of its own core values</li> <li>adherence to group strategy, policies and procedures with room for customization in response to local market dynamics</li> <li>it lies within "think global, act global". Corporate culture should be used to enhance the local capabilities by bringing best in class performance in the way teams, customers and stakeholders engage</li> <li>motivating employees to meet the goals of the organizations uprooting and leveraging cultural diversity in the work force</li> <li>training staff on cultural intelligence</li> <li>develop and use cultural handbook for MNCs</li> <li>sharing its vision in a clear and succinct manner with all its people consistently and allowing for feedback on how that vision can be realized</li> <li>good communication skill</li> <li>top-down communication</li> <li>by engaging individuals</li> </ul>	<ul style="list-style-type: none"> <li>clearly articulating its shared vision, mission and values across its operating regions</li> <li>By developing a strong organizational culture that is dynamic enough to be culturally, religiously and gender neutrally able to accommodate all these and differences. This should also be supported by policies that deliberately ensure organizational relevance to local markets while bringing international value and expertise to local markets</li> <li>by creating an environment that promotes respect for diversity and inclusion of differences and viewing those as core strength that can help it to be culturally sensitive to local nuances and yet globally aligned to the delivery of its corporate strategy.</li> <li>incorporating cultural diversity and intelligence into its core values to ensure its part of their corporate identity</li> <li>important for vision, mission and values to be continuously embedded in peoples in the organization to understand despite cultural differences</li> <li>ensure the MNC also has its own DNA and needs people to embrace that DNA</li> <li>cultural intelligence to be used as an enabler to get results only</li> <li>Act global but think local</li> <li>include cultural leadership into the organization and it is to be recognized that without it the organization will not be successful</li> <li>equipping workforce in countries to have CQ of their holding company</li> <li>ensure leadership is local but exposed</li> <li>the brand marketing domestically should be uniquely connected to the environment</li> <li>continuous training</li> <li>Maintaining best practices which means internationally accepted leadership, business, code of ethics, technological, digital, and innovative business approaches across all its wide, diversified and varied business.</li> <li>establish core values which staff are to embed and uphold</li> <li>infuse cultural aspects specific to given geographies</li> </ul>
---	---



## 6. RESEARCH IMPLICATIONS AND RECOMMENDATIONS

The feedback from the research participants carries resemblance of what Wilson K and Doz YL (2012) shared in their discussion on single location versus multiple location projects. The analogy they gave suggests that when businesses are run in one location, there are “natural benefits” derived in that the stakeholders involved are in a common geographical location and can therefore understand each other from a language, social norms and other cultural dimensions perspective. As a result, there is greater flexibility and room to interrogate situations with deeper understanding of the localized operating environment. The complexity arises in businesses or projects spread in multiple cross-border locations. This, according to the two authors, takes away the natural benefits enjoyed by single location business. The research outcomes above closely align with the realities the multinational businesses face. The challenge is therefore how to harness the local environment cultural characteristics and at the same time replicating the global business core aspects. The element of wanting to be relevant seems a key concern both at the MNC parent office and at the host country level. Meeting the expectations at host country level, whilst also maintaining the parent office flavour, brand or “DNA” is the crux of the matter. It is evident from the research findings that most of the research participants are in organisations where cultural intelligence is not yet a topical subject. Even worse is that there seems to be lack of knowledge that there are what tools to assess and measure CQ.

Below are the recommendations deduced from analysis of the findings discussed earlier.

### **Idea 1: - Cultural dictionary developed by host country personnel as part of induction programme;**

The cultural dictionary can be developed by the host country staff, unpacking what they believe to be the key “must-know” elements under each cultural dimension. They can help minimize incidents of costly errors by the international assignees in their host country engagements.

### **Idea 2: -Cultural fluency aptitude test or cultural-fit test for international assignees;**

Based on the cultural dictionary content, a cultural fluency test can be conducted to assess for basic understanding of the host country cultural dimensions and what adjustments the candidate might need to make and to ensure that there is no detachment from the in-country realities. The intention is not to bar the candidates from international deployment in the event of scoring a low mark but rather to better prepare them.

### **Idea 3: -Mandatory brief cultural immersion into the host country prior to official deployment;**

Immersion into the host country assist the candidates to develop a mental map of what to expect and how they are likely to adapt as well as warm-up to the operating environment.

### **Idea 4: -Adopting a multiple stakeholder approach;**

Ensuring that international assignees are fully informed of the expectations of each stakeholder as well as those of own parent office. This will foster embracing of the MNCs parent core values while simultaneously massaging them in an acceptable manner into the host country’s societal norms;

### **Idea 5: - Balancing IQ, EQ and CQ in selection process**

Ensuring that the selection and deployment of international assignees candidates dependent on all three forms of intelligence, namely, intellectual intelligence, emotional intelligence and cultural intelligence. Measurement tools for EQ and CQ would need to be creatively developed, as there may be element of subjectivity involved.

### **Practical Recommendations - Personal, Team, Organizational Levels to Enhance, accelerate and Entrench CQ**

To the Individual Global leader/ matrix partner and the national / indigenous executive

#### **The global leader or matrix partner:**

Embrace the “this-is-how-we-do-things-around-here” statement as a way of seeing through the operating environment and why things are done that way in the host country;

Identify the things which can easily be adopted from the offshore markets and what you can also adapt to easily in the host country. Know what things can be brought as they are without creating a chaotic situation, and what must be tweaked to align with local norms without creating ethical dilemma;

Slowdown, be mindful of local flavor of doing things and how fluid embedding the culture into the business really gets;

Be sensitive and polite in positioning ideas imported from foreign markets. There is risk of offending host country if the ideas are positioned in a belittling or undermining manner of how host country business is run;



## Cultural Leadership

By Betty Murambadoro & Kabanda Lilanda

“Immerse yourself”. “Identify with”. Do not behave as someone so detached from the local environment;

What worked in one market may not necessarily work in another market.

### **The national/ indigenous leader:**

Avoid taking offence when ideas from foreign markets are presented as worth emulating or best practice. In some cases, there is no need to “reinvent the wheel”;

Some of the traditional practices may have run past their “useful life”. Be open to interrogate own way of working.

### **Both the global and national leaders:**

Try to find out and understand why people are wired the way they are before making judgements, conclusions or imposing your own way of doing things. There may be need to tweak things either side;

We all have some level of ego. Manage it. Yours cannot be the only way of doing things;

Do not insist on having your way. Rather insist on having your way considered.

### **To the MNC parent office team and host country team**

#### **The MNC parent office team:**

Respect the local team. There are some unspoken “rules” which only locals can guide you through. Certain things, though not spoken, may create wrong and costly connotations;

Avoid “cutting and pasting” procedures. Try to customize to the extent feasible, while preserving the core parent office ethics;

Experiences in other markets may not necessarily apply in “solutioning” for another market;

Avoid approaching host country teams using a heavy-handed authority derived from being a head office or shareholder representative.

#### **The host country team:**

The world systems are evolving. Your way may not be the best and only way;

There are standard operating procedures which still work across multiple jurisdictions. Be tolerant;

The worldwide experience matrix partners have cannot be disregarded. This is how international best practices are built.

#### **Both teams:**

Courageous conversations are important in bringing innovation, continuous improvement and learning.

### **To the MNC organization and the host country organization**

#### **MNC parent office:**

Sometimes it is advisable not to disturb what is working well in the host country;

Some markets are so hierarchical, and you need to be tactful how you bring new policy framework;

Best ideas sometimes come from accepting to be challenged. Do not switch off best ideas in the room;

Sometimes it is better to focus on winning the hearts of host country people. They will go all out to defend the franchise wholeheartedly;

Being head or parent office does not necessarily mean that the research you have done on the markets is robust enough for you to always call the shots in host country.

#### **Host country office:**

The best brains do not necessarily always reside within the geography;

You cannot run own strategy entirely divorced from parent office. Certain aspects must filter through the entire global business.

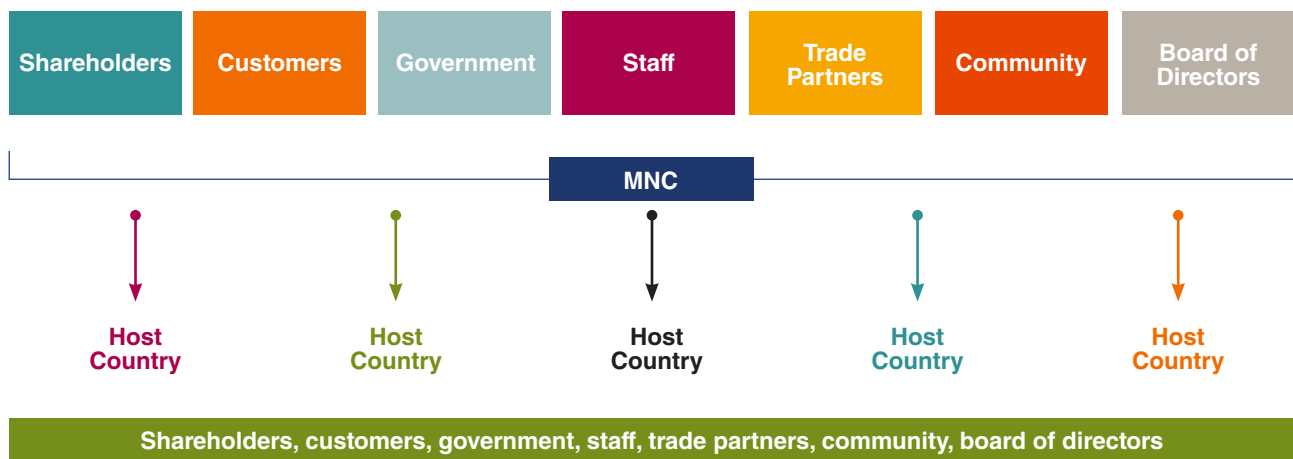
#### **Both offices:**

Operate with an open view. There is always room to learn, either way;

Learn to figure out how to operate with both extreme choices. It is possible to embrace and embed both the parent office way and the host country way of doing things.

## 7. CONCLUSION

While the research findings point towards shielding the cause of host countries, it is important not to overlook the multiple stakeholders involved throughout the chain, from parent office to each of the host countries universes. Needless to explain that each of these stakeholders will always have specific areas of interest, all demanded and expected out of the same multinational business. At a high level, below are some of the stakeholders worth mentioning. The illustration below shows that the parent office has the interests of the home country to preserve, while at the same time the subsidiaries in the host countries also may have similar categories of stakeholders to remain relevant to.



Collins J and Porras JI (1994), in their work covered in "Built to Last" spoke of the idea of embracing two extremes, as a means of ensuring surviving both in the short term and in the long term. Learning to live and operate with two dimensions of thought and maximizing on both is how visionary companies operate, according to the two authors. The idea here is to figure out a way to deliberately have both choices in operation. The analogy presented is how one can decide to choose between choice "A" or choice "B", meaning that one is living under bondage stuck with only one choice, whereas there is an option of adopting both choices. The option of embracing both, is what the authors term "the genius of the AND". This contrasts with what they call "the tyranny of the OR" where one is stuck with one choice which may not necessarily achieve the optimal result. Interesting and puzzling is the argument that Collins and Porras (1994) present in saying that it is not a case of going 50:50, meeting half-way or creating a balance. Instead, their view is that both choices must just run concurrently to their maximum levels.

It is important to embrace the multinational corporation's core values, yet it is equally important to not operate totally detached from the realities of the host country operating environment and dynamics of the cultural dimensions at

play. Detaching and appearing openly alien to the dictates of the host country risks. Collins and Porras, in a way recommended that we liberate ourselves by embracing both rather than choosing between "A" or "B".

A similar analogy once used by a matrix partner based in South Africa, while in dialogue with a colleague operating Zimbabwe, can further cement this conclusion. The SA-based partner argued that for you to see an object visibly-well one needs to hold the object at a distance far from the eyes. In arguing so, he was emphasizing that his perception of the Zimbabwe operating environment is unbiased, unemotional, candid and sound because he can clearly see what is happening from a distance (from the South African side). On the other hand, the Zimbabwe-based colleague argued that by holding the object two centimetres from the eye, she can see the granular detail of the object, hence has a correct view of the actual composition of the object. Though it may seem blurred due to closeness to the eye, she has a deeper intimate understanding of what the object is all about. Both views seem reasonable but to conclude that one of them is totally wrong would be unwise. Embracing both views, is what this research conclusion is driving towards. It is possible for the multinational corporation to maintain its corporate



“DNA” and yet remain relevant to host countries’ dynamics. However intellectual intelligence and emotional intelligence will not fully address this. Cultural fluency, cultural intelligence, cultural competence or cultural leadership has become a new must-have for the global leader.

Achieving cultural fluency is a mission which does not come cheap. It comes with intentionality on both the host and parent offices to inculcate the international assignee and cross border business partners on both cultures. The assignee must be deployed with a full package of parent company culture which can be adopted into the host country, but in most cases with adaptation to suite the host country culture. The assignees have an obligation to indulge themselves through cross cultural immersions and use own intelligence on what thing to adopt and what to adapt to ensure consistent success beyond borders.

## 8. REFERENCES

---

- Black JS and Gregersen HB. (2016). *The Right Way to Manage Expats*. Harvard Business School Publishing Corporation.
- Brett J, Behfar K and Kern MC. (2016). *Managing Multicultural Teams*. Harvard Business School Publishing Corporation.
- Collins J and Porras J. (1994). *Built to Last*. HarperBusiness
- Donaldson T. (2016). *Values in Tension: Ethics Away from Home*. Harvard Business School Publishing Corporation.
- Earley C and Mosakowski E, *Cultural Intelligence: The Essential Intelligence for the 21<sup>st</sup> Century* (2016). Cultural Intelligence. Harvard Business School Publishing Corporation.
- Hill C.W.L. (2003). *Competing in the Global Marketplace International Business*. McGraw-Hill
- Hofstede Geert (1980). *Culture's Consequences: International Differences in Work-related Values*, Newbury Park, CA: Sage
- Hong HJ and Doz YL. (2016). *L'Oréal Masters Multiculturalism*. Harvard Business School Publishing Corporation.
- Lewis R. (2018). *When Cultures Collide Leading across cultures*. Nicholas Brealey Publishing
- Meyer E. (2016). *Navigating the Cultural Minefield*. Harvard Business School Publishing Corporation.
- Multibusiness company*. John Wiley & Sons
- Neeley T. (2016). *Global Business Speaks English*. Harvard Business School Publishing Corporation.
- Society for Human Resource Management, SHRM Foundation*. (2015)., Effective Practice Guidelines.
- Thomas DA and Ely R. (2016). *Making Differences Matter: A new paradigm for managing diversity*. Harvard Business School Publishing Corporation.
- Trompenaars F and Wolliams P. (2016). *Lost in Translation*. Harvard Business School Publishing Corporation.
- Wilson K and Doz YL. (2016). *10 Rules for Managing Global Innovation*. Harvard Business School Publishing Corporation.



# APPENDIX

## CULTURAL LEADERSHIP QUESTIONNAIRE

*“Cultural Leadership” used interchangeably with “Cultural Intelligence” (“CQ”) is the ability to operate in different cultural settings and driving a culture of innovation, learning and continuous improvement”*

1. Please rank the following cultural dimensions on a scale of 1-8 in terms of perceived influence on the success of your organisation's cross border business expansion across Africa? (With 1 being the least and 8 being the greatest)

Local customs & traditions


Social Organisation

Religion

Language

Forms of Government & Political Systems

Economic System

Country Regulations & Policy

Arts


2. Do you believe that Cultural leadership plays a significant part in the ability of a Multi-National Corporation (MNC) to succeed in its expansion across Africa? If so why?


3. What do you believe are some of the tools, initiatives & programs that should be implemented to ensure that large Multi-National Corporations (MNCs) have better cultural quotient leaders going forward?


4. What do you believe are the benefits of a highly cultural intelligent (CQ) organisation?


5. Does your organisation have a Cultural Intelligence (CQ) development strategy? If so, what are the key/core elements of your strategy?


6. How do you design, implement, measure and evaluate your organisation's Cultural Intelligence (CQ) development strategy?




## Cultural Leadership

By Betty Murambadoro & Kabanda Lilanda

7. What tools/ programs do you have in place to prepare international assignees before deployment across Africa in terms of cultural competence?

---

---

---

8. What tools/ programs do you have in place to prepare your Head Office/ Regional staff in terms of cultural competence & appreciation when dealing with the various markets that you are represented in across Africa?

---

---

---

9. What tools, programs do you use to ensure that diversity, innovation and inclusion is fostered across your organisation in managing the various cultures in the markets that you operate across Africa?

---

---

---

10. Do you believe that there are other cultural dimensions over and above those listed earlier in Question (1) which have influenced your success rate in your operations across Africa?

---

---

---

11. In your view, what makes a Multi-National Corporation culturally intelligent? What are their characteristics?

---

---

---

12. In your view, how can you inculcate cultural intelligence into all individuals across the workforce?

---

---

---

13. In your view, how can a MNC maintain its core Corporate 'DNA' yet intelligently adapting to the domestic dynamics of each market it operates in across Africa?

---

---

---





Contact Information:

General Email: [info@bankseta.org.za](mailto:info@bankseta.org.za)

Anti-Fraud Hotline: 0800 222 985

[www.bankseta.org.za](http://www.bankseta.org.za)



Duke  
CORPORATE EDUCATION

Duke CE Point of Contact Information:

**Belinda Knight:** [Belinda.Knight@dukece.com](mailto:Belinda.Knight@dukece.com)

[www.dukece.com](http://www.dukece.com)

These materials contain Duke Corporate Education proprietary and confidential information. In consideration of Duke Corporate Education submitting these materials and Recipient accepting them, Recipient agrees that it will not disclose these materials to any third party nor will it use the materials except for the sole purpose of internal evaluation of the materials in order to consider a possible relationship with Duke Corporate Education.