Global Leadership Competencies in Theory and Practice

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MONTCLAIR STATE UNIVERSITY

Global Leadership Competencies in Theory and Practice

by

Laura J. Franklin

A Master’s Thesis Submitted to the Faculty of

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GLOBAL LEADERSHIP THEORY, PRACTICE

GLOBAL LEADERSHIP COMPETENCIES IN THEORY AND IN PRACTICE

A THESIS

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LAURA JEAN FRANKLIN

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Montclair, NJ

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Abstract

In the world of business, a twofold increase in global practices is expected between 2005 and 2029 (Alon & Higgins, 2005). Consequently, today’s multinational leaders require a combination of skills that differ significantly from yesterday’s domestic or “boundary-confined” leaders. This thesis provides an in-depth look at five key competencies attributed to leadership success from the cosmopolitan perspective. These five areas or elements are: An ethical perspective, a global mindset, a tolerance for ambiguity, an acceptance of complexity, and emotional and cultural intelligences. A literature review examines the theoretical and empirical findings related to global leadership, cosmopolitanism and each of the five core competencies. A case study provides insight into how the five specific skill sets are currently utilized in the field of business. The case study explores how the original discourse regarding the five core competencies is practiced in the discourse of Kraft Foods and in the actions and statements of its CEO, Irene Rosenfeld, during a critical event, the controversial acquisition of Cadbury, Inc. The analysis of the findings indicated that the organizational discourse supported and demonstrated the five core competencies, while the statements and the actions of its leader did not consistently display a strong predilection or externalization of the competencies. In this instance, the results suggest that there is an inconsistency between what the discourse proposes and the enactment of an organizations’ leader during a critical event. The findings of this thesis also point to the need for additional research to determine the following: Whether or not the core competencies are truly essential to exemplary leadership, and what are the ramifications of the absence or the demonstration of these competencies on a day-to-day basis and during a critical event.
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As the responsibilities of corporate and organizational leadership increasingly flow in and out of national boundaries, the skills or competencies required of today’s leaders have changed as well. In the world of business, a twofold increase in global practices is expected between 2005 and 2029 (Alon & Higgins, 2005). In the nonprofit arena, today’s international organizations are playing a growing role that extends to governance, civic participation, bilateral and multilateral policy, and development and relief. Within this sector, human and environmental consequences of natural and man-made disasters along with poverty, famine, disease and war have all contributed to an explosion of growth and fresh challenges to current leaders (Reid & Kerlin, 2006). Fueling everything are the rapid changes in electronic technology, expanding our communications and transportation options to a degree that was unimaginable even 20 years ago.

Clearly, whether they are in the business or nonprofit sector, today’s multinational leaders require a combination of skills that differ significantly from yesterday’s domestic or “boundary-confined” leaders. Clubb (2001) proposed that the skills of the leaders of yesterday need to be retooled in order to meet the global challenges of today. Similarly, a 2010 article in the New York Times discussed the skillsets that are now considered valuable among “four stars,” or top officers in the military. While General Dwight D. Eisenhower was formerly ordered to invade and conquer (Shanker) today’s military leaders are now expected to be:

- city managers,
- cultural ambassadors,
- public relations whizzes and
- politicians who deal with multiple missions and constituencies in
the war zone, in allied capitals and at home. The increased demands helps to explain how the two most recent American commanders in Afghanistan, among the most respected four-star officers of their generation, lost their jobs (Shanker, 2010, p. A11).

When interviewed by the New York Times for the article above, military officials conceded that one reason we are struggling overseas today is because the military force cannot easily achieve the complicated and sophisticated effects that it is being asked to achieve.

**Global Leadership and Cosmopolitanism**

The increasing influence of cosmopolitanism affects every aspect of global leadership and is truly at the heart of any discussion that seeks to address the presence or absence of competencies or skills. As defined by Vertovec and Cohen (2002), the cosmopolitan construct, which encapsulates all five of the leadership dimensions or competencies that are proposed in this thesis, allows an individual to stand outside of their own cultural experiences and draw selectively from a wide variety of discursive meanings. An individual who addresses their responsibilities from a cosmopolitan viewpoint would therefore utilize a variety of cultural repertoires, whether they are involved in decision making, championing a cause or even determining what is or is not useful information. Waldron (as cited by Vertovec & Cohen, p. 26) affirms that in this context of cosmopolitanism, there is something artificial and absurd about the attempt to preserve and keep intact any single culture.
Core Competencies of the Cosmopolitan Leader. What indeed are the skills that are now expected of today's cosmopolitan leaders? In their exploratory story on identifying key global leadership skills, Bueno, Antolin and Tubbs (2004) found that the most important skills or traits are those that can best transfer across cultures, both within organizations and from one country to another, and that these skills often take time to acquire. Garsten (2003) suggested that there is a similarity or common ground between the most valued leadership skills, regardless of the type of organization.

Today's transnational corporations seek to present a vision of social responsibility alongside their business visions. Consequently, a general discourse of globality or "globe talk," has become a vital component of our contemporary culture (Garsten, 2003), whether financial profit is involved or not. Here, the concept of the global mindset also comes to play, along with its close link to cosmopolitanism. In their article on managerial cognition in multinational corporations, Levy, Beechler, Taylor and Boyacigiller (2006) refer to the diversity of perspectives and broad competencies that are also linked to success, such as individual attitudes, skills and behaviors, stating that a growing number of academics and practitioners view this global mindset as a critical success factor that affects a variety of organizational outcomes.

This thesis provides an in-depth look at key competencies attributed to leadership success from the cosmopolitan perspective. It utilizes a cross-section of methodologies to achieve this goal. First, it explores multiple theories of cosmopolitanism as they pertain to leadership on a global level today. It investigates how cosmopolitanism through leadership is changing the way that organizations view accountability (Kapur and
McHale, 2005) and the positive and negative impact of cosmopolitanism from a human resource perspective.

I also address how the actual concept of cosmopolitanism has changed, from the initial belief in the interconnectedness among nation states (Beck, 2000) to the ways in which our social and political culture have led to a new world order where human rights can actually precede international law. As Beck suggests, the consequences can be revolutionary.

This thesis identifies and explores five core competencies of global leadership, within a cosmopolitan framework. These five areas or elements are: An ethical perspective, a global mindset, a tolerance for ambiguity, an acceptance of complexity, and emotional and cultural intelligences. A literature review examines the theoretical research related to global leadership, cosmopolitanism and each of the five core competencies along with empirical findings of significance. It then offers a comprehensive comparison of the various perspectives, identifying common themes and related findings that have led to the development of my research questions.

A case study provides insight into how the five specific skill sets are currently utilized in the field of business. A variety of qualitative data has been used to investigate the actual utilization of the five core competencies in the corporate leadership arena. This thesis explores how the original discourse regarding the five core competencies is practiced in the discourse of an organization and in its leadership during a critical event.

Three research questions are guiding this work as I seek to determine how the five core competencies are utilized in today’s global professional environment:
RQ1. What core competencies emerge in academic literature as key to effective global leadership?

RQ2. How does organizational discourse reflect or represent these key competencies that emerge in academic literature?

RQ3. During a critical event, how does a contemporary global leader enact the competencies that are articulated in academic literature and in the organizational discourse?

For this thesis, the case study approach provides greater insight into day-to-day leadership choices along with a comprehensive look at the choices, challenges and changes within leadership. Through this methodology, I have uncovered facets of leadership that pertain to each of the core competencies and how the acquisition of responsibility and/or tenure leaders affects the acquisition or diminishment of the five core competencies. Flyvbjerg (2006) argued that the context-dependent case study approach can lead to a much more sophisticated exploration of theory and method. To simply examine data or facts related to this area of interest would deny the reader the benefit of the origination, effect and possible progression or transformation of leadership skills.

Similarly, in his exploration of the case study method in social inquiry, Robert Stake suggested that “one of the more effective means of adding to understanding for all readers will be by approximating through the words and illustrations of our reports, the natural experience acquired in ordinary personal involvement” (Stake, 1978, p. 5).
In conclusion, I provide a critical analysis of the competencies as presented through organizational discourse at Kraft Foods and by Irene Feldman during a critical event, the Cadbury acquisition, especially as they support or negate my research questions. In this instance, the results suggest that there is an inconsistency between what the discourse proposes and the enactment of an organizations’ leader during a critical event. Finally, I conclude with suggestions for future research or theoretic explorations.
Global Leadership- An Overview

As Americans prepare to enter the second decade of the 21st century, the global experience grows increasingly pervasive. As consumers, we receive our technical support or airline reservation assistance from professionals across the globe. Even our youngest students in the elementary grades are Skyping with youngsters across the world, sharing ideas and daily experiences. In the business world, globalism is simply a matter of day to day operations. Business equipment is no longer being developed exclusively for Americans, indeed key markets are now emerging in areas that were considered third world ten years ago. Telecommunications has created virtual nodes of operations where the only limitation is the difference in time, albeit language and cultural barriers do remain.

The global economy has been growing in intensity and complexity since the early days of the Great Depression. While 2009 may have presented a decline in international trade versus the global GDP ("Trade to Expand, 2010"), it was the first year to demonstrate a decrease since the growth began. Growth has already resumed, was expected to increase at approximately 9.5 percent in 2010 and to continue at that rate indefinitely.

However, the number of men or women with strong global leadership skills is not necessarily growing at the same rate. In a 1998 survey, Gregersen, Morrison and Black found that 85 percent of the Fortune 500 firms did not think they had an adequate number of global leaders. In addition, 67 percent of these respondents thought that their existing leaders needed additional skills and knowledge before they could meet or exceed needed capabilities. Experts agree that the global fluidity and "boundaryless" mode of
operations that has fueled international business growth has changed the core requirements of leadership. The dual presence of vastly increased informational technology and a less hierarchal workplace environment requires today’s leader to manage the complexities of cultural differences (Lane and Klenke, 2004, p. 2).

In the aforementioned 1998 study (Gregerson et al.), roughly one-third of a global business leaders’ success depended on the knowledge and skills for his job-specific contexts. About two-thirds of the critical characteristics that pertained to all leaders, regardless of their priorities, were personality or character-related, such as exhibiting character and integrity and embracing duality. For example, the study showed that a willingness to communicate with host country nationals was found to facilitate the cross-cultural adjustment of expatriates.

With so much at stake financially, the issue of global leadership within the cosmopolitan construct has resulted in numerous articles and research studies, of which many are highlighted in this thesis. Certain theories have been identified and explored, such as the strong need for emotional and cultural intelligences (Alon & Higgins, 2005; Jokinin, 2005) and an ability to handle complexity and ambiguity (Gregerson et al., 1998; Jokinen; Levy, Beechler, Taylor & Boyacigiller, 2000; Petrick, Scherer, Brodzinski, Quinn & Ainina, 1999).

Critical Leadership Traits, Then and Now

The study of leadership qualities, so closely linked to financial and organizational success, is a hugely popular topic with over 53,121 books addressing some aspect of the topic now on amazon.com (Grint, 2010) in 2009. Grint notes that this represents a huge increase, from a total of 14,139 books that were listed on the same site in 2003.
The authoritarian model. During the two centuries, history has witnessed a dramatic change in the type of skills that are valued in an organizational leader. Prior to 1900, there was no question that a leader, typically a white male, was admired for his authoritarian control, with strict regulation of policy, procedures and behavior (Hackman & Johnson, 1991), to today's leanings towards collaboration and open vulnerability (Bryant, 2010). Thomas Carlyle, considered by many to be the first modern writer on leadership, addressed the then-desirable characteristics of leader in his 1840 lectures. Carlyle's ideas of leadership centered on the "great men" of history, who personified the masculine, heroic and individualistic orientations rooted in the model that was particularly prevalent in the classical and early modern periods. This style continued to be favored throughout the turn of the 20th century, exhibited by leaders who were known for their ability to carry out a distinct and distant role successfully, while maintaining tight control over their area of jurisdiction. One example is the Admiral Nelson (Grint, 2010) of the British Royal Navy who ruled by the "do as I say, not as I do," model, demanding absolute obedience to naval regulations but personally breaking every rule in the same book. Nelson (1758-1805) was known for leading numerous victories during the Napoleonic Wars and utilized every communications tactic imaginable to engage and motivate his subordinates, including rhetoric, coercion, bribery and his own demonstrated bravery.

The authoritarian model of leader was not known for listening or providing positive feedback, two characteristics that are especially valued today. It is now known that the downside of the authoritarian style is a lack of productivity demonstrated when the leader is not present. Hackman and Johnson (1991) argued that employee turnover
and absenteeism, two great losses of human capital, are much greater in the authoritarian climate.

**The impact of industrial growth.** The industrial revolution and the consequential growth of manufacturing facilities had a great impact on leadership style. Market competition began to eat at profit margins, which led to cost-reduction strategies and encouraged a more scientific mode of management. F.W. Taylor, the founder of scientific management, concentrated on the control of knowledge by management at the expense of the workforce and the deskilling of jobs which was related to a strong division of labor. This is noteworthy because it differed so greatly from the control over production that was formerly wielded by craftworkers, and in a sense, has become more of a model today. Henry Ford incorporated Taylor’s findings and technical research in his factories, which resulted in the mass production of the Model T, a car that he designed to be easy to drive and repair.

This new and very rational leadership model became prevalent in the first two decades of the 20th century, but the global rise of communism and fascism in the late 1920s and 1930s, along with the economic depression, resulted in a return to the normative, or authoritarian model of leadership that was previously considered to be the best way to lead the masses. At the end of the Second World War, the trend returned to the individualistic model, perhaps influenced by the recent United States victory and the individualistic stance that was a hallmark of the American culture. Experiments at a General Electric plant in the 1920s and 1930s resulted in what has come to be known now as the “Hawthorne effect,” which created the realization that the mere study of the workplace altered the experience and the behavior of those being measured. This
spawned a series of related experiments that contributed to an increase in awareness regarding the importance of human relations and working conditions as they relate to productivity and the retention of human capital.

**A humanistic trend emerges.** During the mid 20\(^{th}\) century we also began to witness a rise in the self-actualization movement and a more widespread realization of Maslow's hierarchy of needs. Leaders began to realize that addressing issues such as health and safety would lead to increased productivity and performance. Indeed, this is where McGregor's displacement of Theory X leadership (humans are selfish so must be dominated) began to be replaced by Theory Y (humans are cooperative, so lead by encouragement).

Barge would suggest (1994) that the characteristics of the democratic leader became much more desirable in the 1950's and 1960's. Within this model was a leader who sought to facilitate discussion with their followers and solicit input regarding the determination of policy and procedures and involves his or her followers in goal setting (Barge, 1994). Today, because of differing cultural frameworks, two of the most desired outcomes of the democratic leadership style are highly regarded in leaders, knowing that followers will exhibit more commitment and cohesiveness.

**The profound influence of technology.** Just as a more employee-friendly and transparent "corporate culture" began to take hold in the 1960's and 1970's; we experienced the information revolution of the 1990's. The combined affect was dramatic, in turns of employee capabilities and communications. The very formal, linear communications patterns of yesterday were sidelined by the sudden access afforded by email. This created new connectivity between non-linearly connected actors (Kakabadse
& Kakabadse, 2005). Along with this IT-mediated communication, there was electronic brokerage and the new ability to realize multiple points of access to common knowledge. The result was a reduced centralized control. Technology proliferation, which facilitates and challenges cross-functional and intra-functional integration, has forced changes of mindset concerning leadership roles and hierarchies. Greater inter-dependences related to the information revolution have created the need for more sharing of tasks, information and decision-making accountability.

**An increased appreciation of human capital.** Lawler (2001) would strongly support this theory, as clearly stated in his writings on human capital. Because of the increasing importance of the employee, he argued that the relationship between employees and bosses is undergoing a fundamental change. In his opinion, employees should be asked to evaluate their bosses and organizations should fire bosses who do not attract or retain the best employees. The bureaucratic structure of former days is now considered by many to be obsolete because it creates a world in which people are seen as simply filling jobs rather than providing a competitive advantage.

In their writings on discretionary leadership, which supported the benefits of polylogue, Kakabadse referred to the positive effects of strong emotional bonding between leaders and followers, as key to improving the motivation and morale of subordinates. They go on to stress that the globalization of the work environment adds to the cultural diversity of constituencies and stakeholders, providing for additional complexity in the management of interactions and relationships between actors in leadership roles and their followers. Hence, the ability to enjoy diversity and deal effectively with contradictions, ambiguities, different values and measurement standards
requires a leader who can synthesize leadership styles and work across cultures, as demonstrated by numerous authors in this thesis. So, we have truly gone full circle from the masculine, authoritarian style to the highly collaborative, charismatic leader who demonstrates flexibility, vulnerability, and emotional and cultural intelligence.

**An increasing appreciation for laissez-faire style.** It is important to note that the laissez-faire leadership communication style, which is distinguished by a lack of formal communications, policy, and procedures, is worthy of new consideration. That is because it is considered highly effective with groups containing motivated and knowledgeable experts (Hackman & Johnson, 1991). This would align with Lawler’s (2001) theories about the importance of human capital. The laissez-faire leader might avoid discussion with followers and allow them free rein to set their own goals.

The 1980’s saw a deluge of books devoted to the need to empower, motivate, and manage conflict with employees (Barge, 1994). The leaders’ influence or role in influencing employees became a focal point at the organizational and individual level. New theories began to emerge regarding the leaders’ role in maintaining and creating the high-performance cycle. One of these, entitled the lattice work organization, was unrolled at DuPont. A hallmark of this theory is that all employees are considered equal and have equal access to one another in order to get work done efficiently. While many organizations today may not formally describe themselves as adhering to the lattice work model, it is interesting that email protocol within many organizations allows access where it never existed before.

**Going full circle.** Finally, we have come a very long way from the authoritarian leadership model exemplified by Admiral Nelson and so many other strong, dominant
and non-communicative leaders. This trend is communicated clearly in a 2010 article that appeared in *The New York Times*, in which, Howard Schultz the C.E.O. of Starbucks says:

> I would say that one of the underlying strengths of a great leader and a great C.E.O. – not all the time, but when appropriate—is to demonstrate vulnerability, because that will bring people closer to you and show people the human side of you. The ability, behind closed doors, to have open and honest conversations with your team about the concerns you have, the fears you have and the opportunities, is the balance that someone needs to succeed. (Bryant, 2010)

**Global Leadership Competencies**

Any research on global leadership competencies should of course be linked to a concrete definition of what constitutes global leadership. As defined by Kets deVries and Florent-Treacy (2002), global leadership is a combination and expansion of the two basic roles of manager and leader. Jokinen (2004) believed that the global leader does not necessarily have the highest ranking position in a company, because of a frequent lack of global leadership competencies. In those instances, people holding executive positions may not have true control over decisions and activities. Therefore Jokinen defines the global leader as anyone having global responsibility over any business activity, even if s/he works at a lower level in the organization.

**The difference between local and global.** Since there is nothing new about corporate or organizational leadership in general, what differentiates a “global” or international leader from the person in charge of a domestic or “boundary-confined” organization? In seeking to define the differences, Suutari, and Mäkelä (2006) identified
the following four characteristics: the breadth of responsibilities, the challenging nature of an international environment, the high level of autonomy, and cross cultural differences. According to Bossard and Peterson, these four drivers were in line with findings concerning the job related background variables of expatriates (as cited by Suutari & Mäkelä, 2006, p. 643).

Kets de Vries and Florent-Treacy (2002) proposed that excellent domestic leaders often have the same qualities as global ones, but that excellent global leaders are able to “retain those capabilities in completely unfamiliar situations.” In his memoirs of business life in India, the global manager Das (1993) argued that the phrase “think global and act local,” falls far short of what an international manager needs to do. He suggested that the competent leader will utilize a local perspective in their global decision-making.

The definition of global leadership rarely, if ever, includes concepts related to generating profits or surpassing the competition. In his article on integrity and global leadership, Morrison (2001) defines the global leader as someone who is able to successfully impact the actions and beliefs of others on a worldwide basis. Because of the global multicultural experience, where various cultures and perspectives are simultaneously at play, Werhane (2007) suggested that the traditional leader-follower model is outdated and global leadership is a process by which different groups of people are empowered to work synergistically toward a common vision and common goals.

**Defining competency in the global marketplace.** The word “competent” comes from the Latin word meaning “suitable.” Therefore, no matter what size the organization or where it is located, a “competent” leader has skills that are suitable to his or her arena. Predicting a twofold increase in global business practices between 2005 and 2029, Alon
and Higgins (2005) foresaw a similar demand for individuals skilled in global aspects of business functions. The leaders of today’s multinational corporations require a skillset that can often differ greatly from yesterday’s domestic or “boundary-confined” leader. Clubb (2001) argued that the competencies of yesterday need to be retooled in order to meet the global challenges of today. In their exploratory story on identifying key global leadership competencies, Bueno, Antolin and Tubbs (2004) found that the most important competencies are those that can best transfer across cultures, both within organizations and from one country to another and that this can often take a long period of time.

In a review of global leadership competencies, Rhinesmith identified six characteristics of the global mindset (as cited by Jokinen, 2005, p. 202). These are: managing competitiveness, managing complexity, trust in networked processes (rather than hierarchical structures), valuing multicultural teamwork, managing uncertainty, and expanding knowledge and skills, or being open to surprises. In a broad way, albeit with some overlapping areas, these six characteristics encompass the theories found in the development of this paper.

_A topic with little consensus._ One consistent factor in the study of global leadership competencies is a lack of consensus on what those competencies actually are (Jokinen, 2005; Kets de Vries & Florent-Treacy, 2002; Shen, 2004). Jokinen will argue that there is a lack of empirical research regarding global competence and a need for greater agreement on the definition. In searching for answers to their questions about global leadership competencies, Kets de Vries and Florent-Treacy found that, despite numerous articles on the topic, “there is little consensus as to what being a global leader
is all about and it is also not clear from existing research how a truly effective global organization can and should be created.’’

This thesis will explore five core competencies that are frequented attributed to global leadership excellence: An ethical perspective, a global mindset, a tolerance for ambiguity, an acceptance of complexity, and emotional and cultural intelligences. While the titles may differ and the competencies may occasionally overlap, I will seek to present empirical and theoretical research findings that identify and explore each of these five skillsets. Through the identification and examination of these core competencies as they relate to the theory of cosmopolitanism, it is hoped that there will be a deeper understanding of what constitutes effective global leadership, and how that leadership can be instituted in the workplace.

**Uncharted territory: Leadership without a roadmap.** In addition to the issues and challenges that ‘go with the territory,” such as language, politics, religion and time perspectives (Rosen, 2000), the global leader faces critical challenges that are related to the successful completion of her corporate or organizational objectives. A ‘script’ to provide guidance on the correct decisions or tactics is often difficult to find. Gregersen et al. states that “global business now requires all leaders to be explorers, guided by only the faintest glimmer of unfamiliar stars and excited by the opportunity and uncertainty of untapped markets” (1998, p. 1).

**A need for constant re-evaluation.** Echoing the lack of role models at this level of management, Clubb (2001) made it clear that the competencies of yesterday need to be retooled in order to meet contemporary challenges, stating that “for many executives, the very behaviors and actions that catapulted them into high-level positions are barely a
starting point for future innovation and success." While Parker (1998) stated that businesses are typically very astute at looking at past experiences when planning their future, many global organizations face a future that does not necessarily look like its past. In looking back, there may be competing or conflicting objectives and a lack of preparation for the roles that the leader must face.

Parker (1998) believed that some of the most significant difficulties or issues occur when a global or international leader seeks to reconcile his organizational objectives with those that are internal. In viewing these internal issues, he proposed three major categories: people, processes, and structures. These can require the global manager to rethink his or her basic assumptions in numerous areas, for example the Western-style manager who has experienced great success in thinking in terms of financial techniques may collide with Eastern-style team-oriented work techniques. The number of multiple and competing objectives every person and organization faces has vastly increased, according to Parker, and one of the primary challenges is balancing conflicting or competing objectives. He suggested that business enterprises operate in some ways that are very similar to nations, developing symbols, behaviors, practices, customs, norms, values, assumptions, and even specialized language that helps the organization achieve its objectives. And, also similar to nations, they will argue that organizational cultures may fail to meet participant needs, in which case they are forced to change or be changed. A primary skill that will be addressed in this thesis is the ability to handle multiple objectives and indeed to link and leverage knowledge appropriately.

*As the world changes, the leader must too.* In his 2007 book on the literacies of leadership, Hames suggested that the global business arena is still in the early stages of
growth and that the complexities in culture and challenge have reached the verge of chaos, enduring shock waves of cultural fusion, climate change and technological wizardry that are colliding and converging into what he terms an “attractor,” that is transforming the world and the consequential demands on leadership skills. He makes an interesting point about the decline of trade from continental Europe and the surge of activity in China and India as they step into increasingly important roles. All of this results in a disconcertingly complex environment in which the axioms of the past appear inadequate. Again, Parker’s theories (1999) regarding a lack of preparation for assuming new leadership roles is pertinent. The end result is that the conventional approaches to leading and managing have become obsolete, and a new era has caught many leaders with years of experience by surprise (Jokinen, 2005). She proposes that many Americans have subscribed to beliefs and habits of a bygone era, such as the value of profits over people and the negligence of our environment.

**Leadership training and development.** While approximately $50 billion a year is spent on leadership development, (Tubbs & Schulz, citing Raelin, 2006, p. 29), Alon and Higgins (2005) maintain that serious deficiencies exist in the preparation of corporate managers as they deal with the interpersonal realities of global business. Failure, in many respects, is a given if they are not able to acquire a new mindset. One looming example of this possibility could be found in the DaimlerChrysler merger, which was marked by gross misunderstandings of stakeholder needs and the use of tried-and-true mindsets (Kets deVries & Florent-Treacy, 2002). When the new CEO of the combined companies was asked what would determine the success of this new venture, his immediate response was “speed, speed, speed.” The result, which ignored the priorities and needs of his
constituency, was a dramatic plunge in stock and company value. Interestingly, in a 2009 article on leadership styles across German and U.S. cultures, Martin, Resick, Keating & Dickson (2009) noted that in today’s business world, there is a strong lack of cultural explanation of the national differences that exist between our two cultures.

Leadership consultant Kathryn Clubb (2001) suggested that the dilemma for executives is to find ever new ways to lead and to deliver results in a fluid, rapidly changing environment. Leaders must be willing to “overhaul” their perspectives and skill sets and break the habits and mindsets that often led to successful ventures in the past. To succeed in the global marketplace, today’s leader, who has often had decades of experience in a domestic capacity, must be willing to question the assumptions and models that may have proved successful in earlier days. According to Suutari and Mäkelä (2006), the development of global leadership is one of the key human resource issues for multinationals.

**The trials of training.** In addressing the complexity of the ever-changing global environment, Shen (2005) supported the concept that flexibility is required for an organization to adapt and present strategic responses to situations as they arise. However, this flexibility is noticeably constrained by a lack of suitably trained, internationally oriented personnel. In their exploratory study that sought to identify competencies, Hampden-Turner and Trompenaars, (as cited by Bueno et al., 2002, p. 80) found that the development process of key competencies can take a long period of time. This can be problematic, given the surge in growth within the international marketplace which has been increasing in size and stature for over 80 years. Gregersen et al. (1998) argued that training is a key strategy in the development of all global leaders and cited the
importance of supplying a structured learning environment. While Shen (2004) suggests that the quality of international management is even more critical than in domestic organizations and that many companies have underestimated the complexity of the international leadership assignment, she states that there is little empirical research available to document the effectiveness of global leadership training strategies and practices.

Even though the scarcity of competent global leaders is an issue, training programs remain relatively scarce. In a study conducted among Fortune 500 companies, Morrison, Gregerson and Black (1999) found that only eight percent of the companies had comprehensive leadership development programs in place. Consequently, they maintain that it is typically the responsibility of the individual manager to take charge of his or her own personal development.

**Compounding the problem: A lack of experience.** Developing the truly coveted skills of an effective cosmopolitan global leader may take years of experience and much hard work. Citing Hampden-Turner and Trompenaars (2000), in an exploratory study on identifying global leadership competencies, Bueno et al. (2004) stated that it can often take a long period of time to develop the most important competencies which can transfer across cultures, both within organizations and from one country to another and that added research in this area may hopefully shorten the timeframe for the acquisition of skills. In conducting a study on personal leadership skills attribution with experienced business leaders who had several years international experience, 33.8 percent of the respondents (Bueno et al.) stated that they could attribute their success to work experience. Only 9.86 percent believed that formal training was the primary source of their success.
Similarly, Werhane (2007) stated that the most effective global leaders, are not only visionary, but are accustomed to working with a diverse population collaboratively. In stating their case for on-going training and learning, Gregerson et al. (1998) referred to the complexity of the typical global manager’s job, which often involves an interrelated confluence of culture, language, politics, social dynamics and economics. When the added challenges of a new environment, workplace and work assignments are thrown in (along with existing or emerging problems), it is no wonder that there is a shortfall of well-prepared global leaders, ready to perform as needed. This aligns with the thoughts of Kiessling and Harvey (2006), who suggested that the shortage of qualified global managers presents one of the most significant constraints on the expansion of multinational corporations today.

*How effective is formal training?* While there seems to be uniform agreement that the success of today’s multinational organizations hinges on the presence of globally competent managers, alternative thoughts are emerging on the actual effectiveness of formal leadership training programs. In their 2001 study on global leadership development programs, Caliguiri and Di Santo were able to confirm that key knowledge dimensions, such as an understanding of international business issues, can be successfully developed. However, some of the personality characteristics that are thought to be critical in the global management skillset did not increase as a result of experience acquired through global assignments. Three of those characteristics (openness, flexibility, and the ability to modify leadership style depending on the situation) are core components in the emotional and cultural intelligence spectrum, one of five core competencies that are explored in this thesis. Among the three groups that participated in
this study, “prepatriates,” (those who were new to global leadership); “expatriates,” (those who had worked abroad); and “repatriates,” (individuals who had recently returned from a global assignment); the study suggested no significant changes, as a result of training, across the three groups in the areas of flexibility and ethnocentrism.

**The expatriate alternative.** While many corporations address this need through placement of expatriate managers in their foreign offices, there are significant drawbacks to this practice, especially as commerce becomes increasingly global. The type of surrogate control that was previously considered a good solution is the assumption that expatriate managers will share the characteristics of a company and ultimately the company’s goals (Baliga & Jaeger, 1981, as cited by Kiessling & Harvey, 2006). However this type of control is often less effective because of differences in the cultures between the expatriate manager and the host country employees, which makes behaviors harder to interpret and control. Expatriate failure (the premature return of a manager before the assignment is complete) is costly and considerable, with failure rates of between 30 percent and 85 percent in the United States (Shen, 2006). Studies found that between 16 percent and 40 percent of US managers sent on overseas assignments return early because of poor performance or an inability to adjust.

Noting that organizational control through expatriates is often weakened due to cultural distances, Kiessling and Harvey noted that organizations have begun to recruit managers from their host countries and relocate them to corporate headquarters on a semi-permanent to permanent basis, in order to develop their global leadership skills. The need to have culturally attuned tacit local knowledge is especially accented when
pursuing risky opportunities in distant and emerging markets. Harvey refers to this as inpatriation (as cited by Kiessling & Harvey, 2006, p 5).

**The Role of Cosmopolitanism in Leadership**

At the heart of any global leadership discussion is the theory of cosmopolitanism, which has understandably created the environment in which global leadership exists today. The word cosmopolitanism derives from the Greek term kosmo politēs, meaning “citizen of the world,” and is used, according to Strand, within contemporary philosophy and social studies, to denote a way of the world an evolving and extremely complex social reality and a way of seeing the world, i.e. a form of consciousness. In the Oxford English Dictionary, cosmopolitanism connotes “ease in many different countries and cultures (as cited by Romano, 2009, p. B4.) However, the term has also had a less than positive meaning throughout history, playing an ugly role in Nazi and Society propaganda, where it was used to refer to someone who was “not one of us.” Strand argues that cosmopolitanism can be conceived as a metaphor for a way of life, a moral, political and legal ideal, and also an outlook or a perspective on our common and contemporary social reality.

**Defining a cosmopolitan today.** Vertovec and Cohen (2002) would suggest that the cosmopolitan construct, which encapsulates all five of the leadership dimensions or competencies proposed in this thesis, allows an individual to stand outside of his or her own cultural experiences and draw selectively from a wide variety of discursive meanings. An individual who addresses their responsibilities from a cosmopolitan viewpoint would therefore utilize a variety of cultural repertoires, whether s/he is involved in decision making, championing a cause or even determining what is or is not useful information. Indeed, when Strand refers to the “cosmopolitan outlook,” he
suggests that it signifies a new way of seeing the world and a new and emerging paradigm of social and political analysis. With a cosmopolitan outlook, earlier worldviews and ways of categorizing that Beck describes, such as the "old differentiations between internal and external, national and international, us and them, lose their validity (as cited by Strand, p. 233).

**A way of life, an outlook.** In his 2009 article on the making of a new cosmopolitanism, Strand suggests that today's cosmopolitanism is a way of life, an ideal and an outlook. He refers to the cosmopolitan condition identified by Beck (as cited by Strand, 2009, p. 230) and argues that we are now experiencing a "cosmopolitan turn" within the social and political sciences. This has come about chiefly because of aspirations to overcome national presuppositions and prejudices within the social and political sciences, and a common recognition that humanity has entered an era of mutual interdependence on a world scale.

A predisposition of cosmopolitanism, as defined by Szerszynski and Urry (2002) would include the following practices: mobility, willingness to take risks, openness to other people and cultures, curiosity about places, people and cultures, and an ability to reflect upon and judge aesthetically between different natures, places and societies. Garsten sees cosmopolitanism as related to the concept of culture in organizations, which have moved from the sense of a whole, self-contained social group and way of life to one that offers a multiplicity of perspectives and a diversity of social groups. This, according to her theorem, represents the current preferred mode of thought in today's corporations, where diversity and risk is now seen as more of a possibility than a threat.
The new ideal. Throughout the writings, there is an unquestionably optimistic tone to the use of the term cosmopolitanism, as it signifies progressive and positive global values and interests, a perspective that would be considered valuable and desirable in a global leader today. Cosmopolitanism, according to Szerszynski and Urry (2002) represents a cultural disposition involving an intellectual and aesthetic stance of openness towards people, places and experiences from different cultures, especially those from different nations. Those with a cosmopolitan attitude not only search for, but delight in the constraints between societies rather than long for superiority or uniformity. William Goetzmann, professor emeritus of history and American studies at the University of Austin, hoped to see America come forward as the world’s first, truly cosmopolitan civilization, one that: “incorporates the best ideas, the best lifestyles and the most important spiritual values, but would also would forever remain open to the new,” (as cited by Romano, 2009, p B4).

Globalization that comes from within. Addressing the difference between globalism and cosmopolitanism, Mignolo (2009) reminds us that “globalization” became the replacement word for “development” in the late 1980’s, and that a core difference between the two concepts can be found in this remaking or overhaul of the global community. Globalism, like cosmopolitanism, names a vision rather than a process (e.g. globalization). Beck (2000) would argue that globalization is operationalized for empirical purposes as interconnectedness between state societies, with an increasing number of social processes that are now indifferent to national boundaries. Mignolo argued that globalization also refers to the expansion of the poverty line and the growing divide between the haves and have-nots. Here, it is useful to see the difference in
Strand's (2009) definition, where he argues that the current cosmopolitanism signifies an emerging global awareness or altered images and new habits of thoughts, thus becoming something akin to "globalization within."

**The roots of cosmopolitanism.** Cosmopolitanism was a term that was re-invigorated by progressive liberal and postmodern theorists. Mignolo argued that "national thinking" or nationalism was what cosmopolitanism sought to overcome through cross-cultural and planetary dialogues, which offered the way to the future, beyond defense of national borders. Another significant cause for this trend was the need to celebrate multiculturalism, and move away from closed and monocultural conceptions of identity. This is certainly at the heart of what has occurred in our world, due to the confluence of global technology, communications, travel, and business practices.

**A construct rooted in history.** Cosmopolitanism was not a term in use in the sixteenth and seventeenth centuries (Mignolo, 2009). However, Mignolo believes that the formation, consolidation and expansion of Western ideals and civilizations since the 1500's actually laid the groundwork for the first development of the concept in the eighteenth century. One of the first formal usages of the word was in the Universal Declaration of Human Rights, in 1948, at time when human rights, good governance and development began to work in tandem towards the new version of cosmopolitanism. Held (2003) observed that today’s cosmopolitanism was built upon the strengths of the post-war 1945 multilateral order, which sought to specify general principles upon which all civilizations should act. Similarly, in his article on cosmopolitanisms, Pollock argued that the most significant revisionary experience for cosmopolitical thinking was in the
“neoliberal consensus,” that became so apparent in the post-Cold War period (2000, p. 581).

Ulrich Bech, who wrote extensively about the history of and concepts linked to cosmopolitanism (2000), sees it as the key to sociology in the second age of modernity. In defining the second age of modernity, he proposed that it is the dismantlement of the ‘container’ state of society, in which the first age of modernity is based upon. Consequently, in the paradigm of the second age of modernity, globalization changes inner quality of the social and political life, which acquires the characteristics of cosmopolitanism. The many principles of human rights, which can now precede international law, have changed the very mindset in which we operate as a society on a global level. Here, when we address the competencies or leadership skills that are now required in a cosmopolitan framework, the priority shift moves from international law to human rights. Pollock would support this position, arguing that there is a revival today of the humanist discourse of rights founded on the inviolable presence of human personhood. He proposed that this culture is in many ways essential because it is so appropriate in light of decades of abuse of human and civil rights. Where once our identity was framed by national sovereignty, now Pollack sees nationhood as a social form in which the cosmopolitan spirit can inhabit a world that is ethically synchronous and politically symmetrical.

* A construct that has influenced history. In their article on the impact of the cosmopolitan perspective on career-oriented international movement, Kapur and McHale (2005) stress that the cosmopolitan perspective would necessitate a commitment to an individual’s well-being, regardless of where he or she lives; a belief that the place where
a person is best off is not necessarily where he or she was born and has lived; and finally that liberal societies are more likely to be strengthened by diversity than weakened. All three of these characteristics would be ideally suited to the global leader who maintains control over a viable organization today.

Beck (2000) sees today’s cosmopolitanism as linked to the second age of modernity and contributing to a comparison of cultures within the different world-regional frames of reference. He sees cosmopolitanism, in this era, as creating a new kind of capitalism, a new kind of economy, a new kind of global order, a new kind of politics, and a new kind of society and personal life, which are distinct from earlier phases of social evolution. This manifests itself in the now difficult relationship between international law and human rights. We saw this in a 2009 speech that President Obama delivered in Cairo, Egypt.

Speaking to a largely Islamic audience, Obama referred to the importance of women’s rights (as they are connected to education and financial independence). This is a pertinent example of how the comparison of cultures has risen through a new liberal world order where human rights are trumping the ideals and values of the nation state (Romano, 2009). This event would support Beck’s notion that dialogue is necessary between multiple modernities, particularly between Western and non-Western countries. Unfortunately, there are downsides to this as well. The deregulation and flexibilization of wage labor has normalized an informal economy, in a way that suggests that Western societies are beginning to adopt non-Western standards of morality which do not always bode well. Conversely, Beck sees hope in the new transnational job-sharing practices
between rich and poor countries, in new ways of sharing work and wealth across borders and continents.

**The impact of cosmopolitanism today.** While cosmopolitanism is often looked at as a vision or theory, Beck (2000) identifies a number of empirical indicators that point to its presence in our society today. These range from cultural commodities, such as books and movies, to mobility, the new routes of communication, languages, the ecological crisis, transnational organizations such as Greenpeace, and routes of communications that have expanded beyond the development of the letter and telephone to the electronic network. Here, the findings of Szersznski and Urry (2002) make sense, as they argue that different cultures have initiated different modes of cosmopolitanism.

In his book *Cosmopolitanism*, Fine draws a distinction between the cosmopolitan outlook and the cosmopolitan condition (as cited by Strand, 2010, p. 234). He maintains that the cosmopolitan condition is a state of the world, while the outlook is a way of seeing the world. Suggesting that Beck’s theories represent a mixture of the three aspects of the cosmopolitan outlook, Fine argues that within the social and political sciences, there is the theoretical, the empirical and the normative outlook, all part of the larger, all-encompassing cosmopolitan outlook. Here, Strand suggests that all three aspects relate to the cosmopolitan turn, which implies new ways of naming and reading the world which then create the new emerging cosmopolitanism.

**The continuing influence of technology.** Several authors alluded to the role of technology in promoting cosmopolitanism worldwide. Garsten (2003) argued that the sheer immediacy of communication has resulted in heightened scrutiny which has changed the corporate culture. Kapur and McHale see technological change as a
powerful force, driving the trend towards skill-focused immigration policy, because it has substantially increased the demand for skilled or so-called knowledge workers. As a result, they see knowledge-based businesses lobbying for increased access to the world’s talent pool. Beck (2000) argued that the elimination of distance, made possible by information technology has facilitated a more cosmopolitan distribution of work and wealth. One characteristic of this would be that richer countries could now export lower skilled jobs to poorer countries and jobs requiring greater skills would be located in high skilled countries. This would support the emigration theories of Kapur and McHale, as they sought to address the “brain drain” that is occurring now in poorer countries like Ghana (2002).

**Increased global proximity.** Interestingly, Szersznski and Urry (2002) suggested that the concept of “enforced proximity” due to various forms of quasi-interaction through the media has increased the likelihood of a cosmopolitan position. This would manifest itself in the visual staging of the public sphere, or even a “public screen,” in which images of conflict play out in the public space. In 2010, *The New York Times* Web Site published three different videos of the January, 2010 Japanese whaling ship/Sea Shepherd collision, all from differing viewpoints and perspectives (Revkin). This would support the writings of Szerszynki and Urry (2002), who argued that television may have contributed to the erosion of local belonging and involvement, but has contributed to a sense of global belonging and involvement.
Core Competencies of Global Leadership

This thesis provides an in-depth look at five critical competencies attributed to leadership success from the cosmopolitan perspective. The framework of cosmopolitanism is relevant because it signifies, as noted in the literature and findings above, the progressive and positive global values and interests that a global leader would ideally demonstrate in his or her practices and operations. The five competency areas are: An ethical perspective, a global mindset, a tolerance for ambiguity, an acceptance of complexity, and emotional and cultural intelligences.

An ethical perspective. Throughout the readings on global leadership, the concept of ethical or responsible behavior emerged as a significant and very valuable competency. A sense of interconnectedness is at the heart of this construct, as complex global systems, from financial to ecological (Held, 2003) connect the fate of communities in one locale to the fate of communities in distant regions of the world. In Morrison’s paper on the integrity of global leadership, he aligns the importance of the position with upholding and encouraging the growth of actions that support the well-being of others, far beyond the corporate realm: “Global leaders are those who successfully impact the actions and beliefs of others on a worldwide basis.” (2001, p. 65).

The swift pace and borderless characteristics of electronic communications and information technology have contributed noticeably to worldwide cosmopolitanism and has also greatly increased the visibility and transparency of organizational practice and leadership. While Beck (2000) might suggest that the second age of modernity has ushered in a new era of rights-related ethical awareness, one that can even surpass the former control of the nation state, there is a downside to cosmopolitanism that is evident
in a number of contexts, from environmentalism to human rights. As one example, regional standards that were established in the West during the 20th century regarding child labor and factory wages have been discarded by Western-based companies in search of greater profitability, such as Nike. This is one of the darker sides of the cosmopolitan construct as theorized by Beck (2000), but today's increased transparency has shone a bright light upon cruel and/or abusive practices that may have gone unnoticed in the past. This has resulted, according to the National Intelligence Council, on a greater appreciation for the preservation of ethnic cultures and practices:

Able to disperse technology widely and promote economic progress in the developing world, corporations already are seeking to be good citizens by allowing the retention of non-Western practices in the workplaces in which they operate. Corporations are in the position to make globalization more palatable to people concerned about preserving unique cultures (Report of the National, 2010).

In his exploration of globalization, environmental policy and ethics, Brennan concurs with the concepts above, arguing that support for cultural traditions and values can heighten the awareness of the interconnections among people and places, health and disease and provide reasons that are culturally powerful and tradition-specific, for resisting schemes that threaten to destroy or undermine traditional, healthy practices:

Ones that respect the significance of airs, waters and places to human identity and flourishing. In the traditions explored, there is a remembered connection between people and places, health and surroundings, dwelling
and flourishing...(this approach) is just one among many sources that can produce resistance to the excesses of boom and bust, the dangers of alienation and loss, the homelessness—whether literal or metaphorical that is the unwelcome guest of so many forms of development (2006, p. 142).

**Embodying a spirit of world citizenship.** Where once we conceived of a world order in terms of vying and competing political systems, the new emphasis, Pollock argues (2000), is now on the unique and inviolable presence of “human” personhood. The spirit of world citizenship, as he sees it, has not elicited ideals and ideas as much as philanthropic individuals who are spearheading universal campaigns, as opposed to regional. A few examples are Mother Theresa (world poor), Ted Turner (the United Nations), and the late Princess Diana (global issues of AIDS and land mines). Today’s ethically aware cosmopolitan leaders would find themselves living in an era where world citizenship and a genuine desire for equality is the new universal norm.

Held (2003) maintains that global politics today calls into question the traditional demarcations between the domestic and the foreign, between the territorial and the non-territorial, found in modern conceptions. He sees global politics as anchored not just in traditional geopolitical concerns, i.e., trade, power and security, but in a larger and much more diverse spectrum of social and ecological concerns, such as pollution, water supply and access to drugs; all these issues cutting across the old territorial jurisdictions and demanding an awareness of multiple spheres of politics and authority. If you were to consider that most of today’s transnational corporations are involved to some degree with
the third world populace, whether it is through manufacturing, trade or sales, it follows that the same transnational leader would be concerned with the ethical impact and quality of their decisions, if only from a public relations perspective.

**Shared environmental concerns.** In his book *What is Globalization*, Beck (2000) delves into the paradoxical impact of the ecological crisis, which is arousing a cosmopolitan consciousness that transcends borders and involves every living thing—man, animal and plant. He argues that threats create society and global threats create a global society. Beck goes on to propose that the political, economic and cultural turmoil of world risk constitutes a kind of “negative currency,” that provides coins that no one wants, whether it is ecological, the environmental impact and consequential dangers of poverty, and the dangers of military confrontation. Of these two, certainly the first two areas, ecology and poverty would impact global leaders who are undoubtedly tempted to exploit the resources of poorer country, through abusive environmental and/or labor practices.

**Defining an “ethical” leader.** Resick (as cited by Martin et. al., 2009, p. 131) investigated the components of ethical leadership across multiple cultures and found that they include: Character/integrity, altruism, collective motivation, and encouragement. He found that cultural value systems are closely linked to the understanding of moral and ethical issues. This is especially interesting because he concluded that business ethics are differently understood in the United States and Germany, so therefore, the cultural value systems must be different as well.

In their interviews of the Fortune 500 leaders, Gregersen et al. (1998) found that personal character involves two components: emotionally connecting with people of
various backgrounds (as in the emotional intelligence construct discussed later in this section) and exhibiting uncompromising integrity. The integrity aspect was described by various interviewees as behavior related and aligned to the company’s agreed-on values and strategies. When far removed from corporate oversight, there is a risk of losing sight of integrity or standards. The global leaders that participated in the survey stressed the importance of maintaining integrity at all costs and also pointed out the this increased the overall level of trust in their organization.

Werhane defines today’s effective global leadership as far more collaborative than in previous models, which would certainly increase the likelihood of ethical conduct. Citing Astin and Leland, (1991, p. 427), she defines global leadership today as a process by which diverse groups of people are empowered to work together toward synergistically toward a common vision and common goals. According to Werhane, the most effective global leaders are used to working with a diverse population collaboratively, rather than in a traditional leadership-follower dynamic. Since all of mankind desires fair and ethical treatment, it goes to follow that the global leader, who behaves in the collaborative sense that Werhane describes, would of course operate in an ethically mindful, albeit collaborative fashion.

A responsibility and a privilege. Global leaders have the unique responsibility of defining many aspects of ethical behavior, both for themselves and their broader organization, including subordinates (Morrison, 2001). While the notion that ethical leadership as a unique and important form of leadership has gained increasing acceptance, clarification on the full range of ethical leadership behaviors has been slower to emerge. Gini argued (as cited by Martin, Resick, Keating, & Dickson, 2009, p. 131)
that ethical leadership concerns how leaders use their social power in the decisions they make, the actions they engage in and the ways in which they influence others. Ciulla (2004) looked at ethical leadership as leading in a manner that respects the rights and dignity of others.

**The long-term profitability of an ethical stance.** Certainly, most publicly held companies have policies regarding ethical compliance and embedded in their vision and mission. But in times past, the focus on profitability often overrode truly ethical conduct. A 2009 study by Collins and Porras (cited by Werhane, p 429) shows that visionary companies make more money in the long run than purely profit-driven companies. Visionary companies pursue a cluster of objectives, of which making money is only one. Therefore, even if a leader is preoccupied with shareholder wealth, they probably should not be, if their aim is to survive and do well in the long run. Supporting this is a 2009 set of studies conducted by Trevina and Weaver (cited by Werhan, p. 429) that found that companies without ethics programs are less effective at compliance than companies with ethics programs. Thus, the principles that a leader exhibits and embraces will affect the profitability and health of a company, as well as those that it impacts.

In their article for the *Journal of Business Ethics*, Maak and Pless (2009) defined responsible leadership as a values-based and principle-driven relationship between leaders and stakeholders who are connected through a shared sense of meaning and purpose. In this way, the leader is able to raise higher levels of motivation and commitment for achieving sustainable value creation and responsible change. Leaders are not only citizens of the world, but stewards of its values and resources on the planet. Similarly, the qualities of integrity, honesty, trustworthiness and being just are
responsibility-related traits that were found, in the 2004 GLOBE Leadership Studies (Mack & Pless, 2006, p. 124) to be associated with desirable leadership behavior in many countries of the world.

**A call for cultural awareness and sensitivity.** Sensitivity training in this area is essential, argues Brown, Trevino and Harrison, who recommended a social learning approach to ethical leadership that focused on role modeling and promoting ethical behavior among staff, managing ethical accountability and rewarding ethical conduct (as cited by Martin et al., 2009, p. 131). Certainly, Kim would concur (1996), because of today’s global leader is challenged, through numerous intercultural connections and communications, to ultimately abandon the old “use and them” group-based perception. All of this would be endorsed by Garsten (2003), who sees a heightened sensitivity to the role of the corporate body in our society as a result of scandals related to corporations such as Enron and WorldCom. The result is that society is looking for more rigorous corporate ethics, along with increased scrutiny and regulation of corporate behavior. To support Trevina and Weaver’s research above, the leader who demonstrates ethical integrity, while building in rules and regulations, will be more successful than the company and/or leader who relies on rules and regulations alone.

In their exploration of global leadership metacompetencies, Tubbs and Schulz (2006) place great emphasis on the importance of individual values in the global leader. Within this construct, they believe, lies the ability to greatly influence others’ behaviors, and to support this, they referred to the increased emphasis on business ethics in American business schools. They support the belief that strong positive values can be taught and learned, but that they are less changeable than actual behaviors.
To sum it up, Werhane (2007) notes that leaders must be open-minded and visionary because they are challenged with new ideas every day. The diversity of cultures and challenges in today’s transnational organizations has rendered the hierarchical model of leader-follower obsolete. In sum, she argues that the best global leaders are not merely values-driven but are “ethical leaders,” who embody their values in all that they do and promote.

A global mindset. The topic of managerial cognition or cognitive orientations of managers has been a source of interest among academics and practitioners, chiefly because the traits related to this “global mindset” are considered to offer a long-term competitive advantage to a multinational corporation. The concept of “global thinking” can be couched in many different ways, from “geocentrism” to “global literacy.” For the purposes of this thesis, it is categorized as an ability to appreciate cultural differences and look beyond borders. As defined by Jeannet (as cited by Levy et al., 2007, p. 235), a global mindset is a state of mind able to understand a business, an industry sector, or a particular market on a global basis. Kefalas would define a global mindset as a mental model characterized by high levels of both conceptualization and contextualization (as cited by Levy et al., 2007, p. 235).

A collection of attitudes or orientations. Today’s scholarly notion of a global mindset is rooted in a groundbreaking 1969 study by Perlmutter (as cited by Levy et al., 2007, p.233) that offered a formalized typology of managerial mindsets. These were identified as primary attitudes or states of mind toward managing a multinational enterprise. The three different orientations can be defined as ethnocentric (home-country orientation), polycentric (host-country orientation), and geocentric (world-orientation),
and will influence and shape diverse aspects of the multinational enterprise. All of these attitudes represent beliefs regarding which persons and/or ideas are competent and trustworthy. However, the notion of geocentrism serves as an underlying construct for many of the conceptualizations of global mindset. According to this theory, managers with a "geocentric" mindset manifest universalistic, supra-national attitudes, downplaying the significance of nationality and cultural differences in determining who is competent or trustworthy.

*Also essential: The "multiple perspective method."* Because of the complexity of goals, personalities and cultures within the transnational organization, Werhane maintains that a multiple perspective method (2007) is essential to global decision-making and leadership. This wide-ranging and all-encompassing viewpoint meets the criteria for a global mindset. Citing Mitroff and Linstone (p. 431), Werhane describes a systems approach to the multiple perspective theory which suggests that varied individuals, institutions and processes all operate simultaneously in a system that involves numerous relationships, actors and possibly conflicting interests and goals. The multiple perspective theory suggests that any problem or phenomenon must be handled from a variety of perspectives, each of which involves different world views.

*Looking beyond the border.* The importance of transcending national borders and forming complex, cultural understandings is central to the role of the “transnational manager” (Levy et al., 2007). Indeed, the global mindset is often linked with an ability to think in terms of cross-cultural skills and abilities. Jeannet related the global mindset to “the ability to see across multiple territories and focus on commonalities” rather than emphasizing the differences that exist among cultures and countries, (as cited by Levy et
al., 2003, p. 240). Rosen believed that the two predictors of success in the global market place are: leadership development across all levels of business; and valuing multi-cultural experiences and complexities (as cited by Alon & Higgins, 2005, p. 503). Rosen’s definition of “global literacy” referred to the ability to see, think, act, and mobilize in “culturally mindful ways.”

In the same vein, Sackmann (2006) writes of the new multicultural workplace realities that require a multiple cultures perspective from leaders who work and manage across cultures, stating:

   both leaders and interaction partners bring with them a set of cultural identities that are influenced by socialization processes at the national/societal and regional level...these culture frames also influence the perceptions of what is considered responsible leadership behavior and what is expected from a responsibly acting leader—at an institutional, organizational and individual level. (Maak & Pless, 2006, p. 122).

*Keeping numerous cultures in mind.* A key challenge for global leaders, Sackmann suggests, involves interacting and leading across cultures. The leader may face a multitude of differing culture perspectives without knowing exactly when which kind of cultural perspective becomes salient. This requires sensitivity of the cultural context that is relevant for a given interaction and the appropriate skills in dealing with the individuals and situation responsibly. In addressing global leadership responsibility, Sackman argues that this multicultural perspective and sensitivity or global mindset is part of the responsibility of leadership today.
The multi-cultural mindset. For his book, *Global Literacies*, Rosen (2000) conducted face-to-face interviews with 75 business leathers around the world, examining their perspectives on four literacies. One of these is the multi-cultural dimension. Rosen suggested that the global leader must also learn to leverage or utilize their knowledge of global differences to benefit the organization they serve. Addressing this same goal, Maznevski and Lane (as cited by Levy et al., 2007, p. 235) define a global mindset as the ability to develop, interpret and implement criteria for personal and business performance that are independent from assumptions of a single country, culture or context. They maintain that this global mindset allows managers to make decisions in a way that increases the ability of their organization to compete, internationally.

A concrete example of global mindset is offered by Kets de Vries and Florent-Treacy, in their paper on high commitment organizations (2002). While known throughout his global organization for a propensity to “empower” and therefore motivate employees, a French global leader noted that the Russian employees he had recently acquired were chiefly concerned with job security and looked to strong leadership to provide the same. The organizational leader illustrated the meta-value of cultural relativity and openness when he instituted stronger measures of control over decisions and information, knowing that paternalistic, autocratic leadership would be interpreted as a sign of security. In this way, he was able to establish a feeling of security in the plant and garner the respect and trust necessary to achieve his goals.

Estienne would support another element that is frequently associated with the global mindset, which is the willingness to learn (as cited by Levy et al., 2007, p. 239). Similarly, Gregersen et al. (1998) also related the concept of “unbridled inquisitiveness”
to leadership excellence. When studying individuals on international assignments, they found that several of the same characteristics were linked to both cross-cultural adjustment and job performance. These are: Adventuresomeness, curiosity, and open-mindedness. They believed that successful leaders are invigorated by differences and driven by a sense of adventure and desire to see and experience new things. This, too, could loosely be categorized as a global mindset.

**A tolerance for ambiguity and uncertainty.** Budner (as cited by Lane & Klenke, 2004 p. 2), defined tolerance for ambiguity as “the tendency to perceive ambiguous situations as desirable,” and held that ambiguous situations are defined by a lack of sufficient information. The ability to manage this type of uncertainty or tolerate ambiguity is a key competency of global leaders, as demonstrated in a study conducted by Gregerson et al., (1998). In the global arena, where uncertainty can come from not just one country but a dozen at a time, they argued that collecting data can take so long that global leaders often need to move ahead before waiting for the entire picture to “come into focus.”

Similarly, the ability to demonstrate adaptability and innovation is one of the four top characteristics of an excellent global leader (Petrick, et al., 1999) and is directly linked with sustainable competitive advantage. In her presentation of the chief challenges in international training and management development, Shen (2004), referred to the notion of cognizant flexibility. Citing Tung (p. 658), she argued that the complex and ever-changing global environment requires a leader who demonstrates flexibility. However, an organization’s ability to devise strategic responses to this ever-changing
climate may be constrained by a lack of suitably trained, internationally-oriented personnel.

*A leader that is open to surprise and change.* A similar stance was assumed by Rhinesmith, who believed that the ability to be comfortable with surprises and ambiguity is a key element in the global leaders’ competency portfolio (as cited by Levy et al., 2007, p. 243). He believed that people with this type of mindset will accept life as a balance of contradictory forces and seek to be open to themselves and others. Rhinesmith stressed the importance of the ability to balance competing realities and demands and to appreciate cultural diversity: All of this is part of what he coined the multidimensional perspective to the global mindset.

*The ability to embrace uncertainty.* The organizations that foster flexibility and innovation will enjoy success in the dynamic global economy (Kiessling & Harvey, 2006). They state that the inpatriate leader, who hails from the country and has innate knowledge of its culture, is the best choice overall. The inpatriate can be seen as both a boundary spanner and social capital builder. According to Kiessling and Harvey, this type of leader understood how to be flexible while implementing controls that advance the organization’s objectives.

In seeking to understand what types of leaders companies need to develop, Gregerson et al. (1998) conducted a now renowned study with leaders of Fortune 500 firms. Their goal was to determine what skills or characteristics are necessary for success. Out of this study, they created a set of context-specific leadership abilities or competencies that they argued are essential in the global environment. While one-third of the global business leaders’ success depended on the specific “knowledge and skills”
that were related to the type of organization they were running, the characteristics that were considered by two-thirds to lie at the heart of success included exhibiting character, embracing duality and demonstrating savvy. Noting that most studies refer to embracing duality as a “tolerance for ambiguity,” the authors noted that:

Global leaders embrace duality by managing uncertainty, essentially knowing when to act and when to gather more information and balancing tensions, understanding what needs to change and what needs to stay the same from country to country and region to region. (Gregerson et al., 1998, p. 4).

To this, Gregerson et al. (1998) added the essential capacity for managing uncertainty. That is because the global business arena presents a dearth of data and staggering number of emerging questions, from the security of the local currency to workplace cultures and ethics. Concluding that a tolerance for ambiguity is essential to global management, Gregerson et al. demonstrated through empirical research that expatriates, when crossing from one’s home culture to a foreign culture, encountered significant uncertainty. Those individuals with a tolerance for ambiguity tended to cope and adjust much better.

In seeking to evaluate the “career capital” that results from international relocations of global leaders, Suutari and Mäkelä (2006) created a framework to explain how actors consciously acquire “portable” capabilities and apply them in their work contexts. Upon investigating the nature of the global career, she wrote about the shift from the “boundary” or bounded career prescribed by a stable environment, to the new
workplace that is characterized by uncertainty and flexibility. In this paradigm, the employee takes charge of their career and seeks to make sense of their environment without external guidance. Here, Suutari and Mäkelä argued that research on protean careers is relevant. The word “protean” refers to the subjective perspective of an individual careerist facing the external realities of a boundaryless career, which brings an external perspective into play. As an outcome of these combined work and life experiences, Meijers believed that the individual develops their own career identity, which closely links their own motivation, interests and competencies with acceptable work roles (as cited by Suutari & Mäkelä, 2006, p. 630). The protean career is one that refers to the subjective perspective of an individual careerist facing external career realities.

In their discussion on the daily complexities of global work life, Levy et al. looked at the need for a manager who can navigate the numerous challenges and complexities of cultures and countries, citing Estienne (1997, p. 239) when they noted that the international or global mindset includes the ability to adapt.

**The ATI factor is linked to leadership success.** Lane and Klenke (2004) maintained that coping with ambiguity and managing uncertainty are central leadership competencies that were insufficiently addressed in leadership research, both theoretically and empirically. Knowing that today’s global leaders are expected to succeed in environments categorized by organizational and environmental complexities, including ambiguous tasks and situations, they conducted an empirical study on the ambiguity tolerance factor in corporate leaders. This study utilized a modified form of McCormick’s 2001 self-regulatory leadership confidence model in a framework that
included variables such as ambiguity tolerance, spirituality, creativity, aesthetic judgment, and mindfulness. The authors concluded that the Ambiguity Tolerance Interface (ATI) is the missing link between social cognitive theory and leadership, because many of the other factors, such as self-regulation and goal setting, are already proven behaviors that are considered predictive. This research provided empirical evidence that ATI is linked to an important cluster of leadership constructs such as self efficacy, goal setting, and leadership effectiveness.

**An acceptance of complexity.** One of the primary reasons for a high failure rate among leaders of multinational enterprises is a lack of understanding of the complex nature of problems involved in international operations (Shin, 2004). Just as it helps to maintain a flexible perspective on workplace issues, excellent global leaders are also able to understand complex issues from different perspectives and act out a cognitively complex strategy by playing multiple roles in a highly integrated and complementary way. Petrick et al. (1999) argued that the “what” of organizational strategy is growing at a far greater rate than the “how” (implementation) and the “who” (the development of international managers). Thus, complexity and a changing nature of events is circumventing the tried-and-true, orderly workplace process that traditional corporate leaders are more accustomed to.

**Complexities that extend beyond culture.** Scholars and researchers of leadership referred again and again to a mindset that looks at a far broader scope than the traditional corporate American leader had typically done. In his 2007 book, *Five Literacies of Global Leadership*, Hames presented the pitfalls of conventional tried-and-true thinking. According to Hames, the expectations, practices and habits that created an infrastructure
for leadership can potentially set the stage for organizational failure. He argued that the comfortable practices of yesterday will not contribute to leadership today, and in fact, one of the most difficult challenges that leaders face is escaping the legacy of prejudice, arrogance, and intolerance. “Authentic leaders must avoid the structure-function traps of convention...that keep them firmly rooted in past-present loops and therefore in a set of erroneous mind traps,” (Hames, 2007). He argued that the familiar leadership practice and process of reviewing, interpreting and analyzing the past to make well-founded business decisions is obsolete. According to Hames, nothing is constant. The world of contemporary leadership requires letting go of the past and breaking out of the mind traps that threaten to misinform and deceive. It would require using multiple viewpoints for informed decision making, rather than relying on narrowly biased views. It would also require reviewing the global issues and dilemmas in order to perceive them in all their astonishing richness, variety, and complexity. This was an excellent way of framing the construct that this thesis refers to as the “acceptance of complexity.”

Strongly believing that multinational corporations have the potential for greatly contributing to the betterment of the world, Pless and Maak (2008) evaluated the results of a PricewaterhouseCooper leadership development program. Their goal was to determine what leaders as change agents need to learn, in order to behave responsibly. They concluded that one of the critical constructs or competencies is an ability to understand the complexity of social issues and have the interpersonal qualities for interacting with different stakeholders and generating solution approaches.

Accepting complexity and helping others. Certainly, a 2010 news article highlighting Vinod Khosla’s efforts to help the poor in India, Africa and elsewhere,
support the theories above (Bajaj, 2010). Khosla, the billionaire venture capitalist and co-founder of Sun Microsystems, believes that commercial entities can better help the impoverished than most nonprofit charitable organizations. His advocacy of the bootstrap powers of capitalism is seen as part of a growing belief that businesses, not governments or nonprofit groups, should lead the effort to eradicate global poverty. This is one example of not only understanding and accepting complexity, but demonstrating leadership and vision in addressing it.

**The high risk of failure.** In their comprehensive study of global leadership, Petrick et al. (1999) discussed the risks associated with the underdeveloped leader who is unable to understand complex issues from different perspectives and act out a cognitively complex strategy in a highly integrated way. This leader may display a lack of competence when it comes to employee morale enhancement. If that incompetence were to extend to diversity issues, it could lead to a loss of organizational identification by stakeholders, possibly resulting in costly litigation resulting from discrimination cases.

As reported in *The New York Times*, the competencies that are now required of top military officers or “four stars” has changed considerably, creating new challenges on a wide scale and often serious basis. While General Dwight D. Eisenhower was formerly ordered to simply invade and conquer (Shanker, 2010), today’s military leaders are now expected to be:

- city managers,
- cultural ambassadors,
- public relations whizzes and politicians who deal with multiple missions and constituencies in the war zone, in allied capitals and at home. The increased demands helps to explain how the two most recent American commanders
in Afghanistan, among the most respected four-star officers of their

When interviewed by *The New York Times* for the article above, military officials
conceded that one reason the United States is struggling overseas today is because the
military leadership cannot easily achieve the complicated and sophisticated effects that it
is being asked to achieve.

*Contributing to increased personal development.* In seeking to create a more
integrative framework of global leadership competencies, Jokinen maintains that the
acceptance of complexity and its contradictions is a desired mental characteristic or core
competency of global leaders, and defines the advantages of a positive attitude towards
the ambiguous and unpredictable. It is essential, this author believes, in that it legitimizes
the need for learning and thus creates motivation for personal development. As cited by
Jokinen (2005, p. 208), Srinivas defined acceptance of complexity and its contradictions
as seeing opportunity in adversity, using diversity to stimulate creativity, and being
capable to lead life on many levels. Jokinen links this competency to the ability to accept
cultural differences between nations, organizations and sub-groups, becoming a “must-
have” characteristic of global leaders.

*Emotional and cultural intelligences.* The global leader needs to have a
“toolkit” of skills that will enable him or her to respond to the environments and cultures
of different countries and different interpersonal work situations. Two of the most
dominant constructs that were presented in the readings were the possession of cultural
and emotional intelligences. Because of the conversion of numerous cultural and
environmental forces, Alon and Higgins (2005) argued that these two qualities provide a valuable framework for better understanding cross-cultural leadership and helping to clarify possible adaptations that need to be utilized in leadership development programs in their organizations. So the concept of both the importance of these qualities and their usefulness in leadership training is of interest to the researcher who is seeking to identify or possibly recommend important skills.

**Defining the competency.** Emotional intelligence, according to Boyatzis, Goleman and Rhee (as cited by Jokinen, 2005, p. 203), is observed when a person “demonstrates the competencies that constitute self-awareness, self-management, social awareness and social skills at appropriate times...in sufficient frequency to be effective in any situation.”

Based on “all evidence available,” Alon and Higgins (2005) suggested that the core of global leadership, and hence the development of leaders are these three qualities, or intelligences: Rational and logic-based intelligence, which most people measure by traditional IQ tests; Emotional intelligence, which can be measured by EQ tests; and the presence of cultural intelligence (CI), which can now also be measured through a CQ test. In their best-selling book, *Primal Leadership*, Goleman, Boyatzis and McKee (as cited by Alon & Higgins, 2005, p. 503), found that the most critical leadership skills in the U.S. were linked to EI. Their research suggested that 79 percent of leadership success in the U.S. results from a high EQ. The function of CI becomes especially important because it matters most, Alon and Higgins stated, when leaders move into or work for new organizations. Often a lack of organizational CI contributes to individual and corporate failures.
A skill attributed to widespread success. In seeking to define the competencies that organizations should look for in the selection and development of cross-cultural leaders, Manning links the strengths of the emotionally competent individual to leadership success (2003), stressing that excellent relationship skills are the result of a positive mindset about the self and others. Manning argues that organizations which factor in these cognitive criteria will select and develop more effective cross-cultural leaders and that managers who actually seek to acquire these mindsets will strengthen their interpersonal leadership capacity.

The ability to connect, across cultures. The characteristics that lie at the heart of CI or EI are also occasionally described as “meta-abilities.” For their research on global leadership competencies, Kets de Vries and Florent-Treacy (2005) interviewed 75 global leaders, from Richard Branson of Virgin Atlantic to the CEO of Bang & Olufson. A core competency that was universally agreed upon was the ability to connect with a deep and universal layer of human functioning that causes people to make a greater-than-usual effort. These leaders, through their emotional or cultural intelligence capacities, have established a corporate culture that enriches the complexity of many national cultures. The “meta-values,” which appear as an important trait in global leadership, appear with consistency through research, and while the title may differ from the “EI” intelligences that have become widely known through Goleman’s writings, the skillset is similar.

In this regard, Maak and Pless would agree, noting that there is a growing awareness that the ability to develop sustainable relationships with clients, employees, shareholders, and other stakeholders is one of the most important determinants of organizational viability and business excellence (citing Wheeler and Sillanpää, 2006, p.
However, this can be especially challenging, considering the multitude of personalities and cultures involved. Maak and Pless maintain that a significant part of the challenges that today’s leaders face emerge from the interaction with a multitude of stakeholders, locally, regionally, and globally; both within and outside of their organization. Therefore, it follows that a propensity to accept and appreciate other cultures and personalities would be a critical competency for any global leader.

*A skill that cannot be easily acquired.* Emotional or cultural intelligence is not something that is necessarily learned on the job. Working from a human resources platform, an empirical study conducted by Caligiuri and DiSanto (2001) sought to evaluate the effectiveness of global experience and training in several EI/CI competencies among global leaders. After conducting focus groups with senior managers, the authors identified eight dimensions that define “global competence.” Three of these dimensions were related to the EI/CI construct: the ability to be flexible, open, and to demonstrate low ethnocentrism. While their study concluded that certain knowledge dimensions (such as understanding of a business structure) can be improved through global assignments, the three dimensions related to EI/CI were unlikely to change solely through practice. The study concluded that among the characteristics considered essential in the global leader, the dimensions that reside at the heart of EI/CI can not necessarily be acquired or strengthened through global leadership experience.

Training in this area should be included in leadership programs, according to Alon and Higgins (2005). Aware that a connection exists between EI and success, they explored the ways in which it could be transferred to other nations and cultures. Most interestingly, they found that the answer lies in cultural intelligence, which can bridge the
gap in the transference of meaning. They also proposed that successful leadership
development programs should incorporate conceptual knowledge about emotional
intelligence, establishing objectives for change, and feedback sessions on progress.

In her integrative framework of global leadership competencies, Jokinen (2005)
also identified the importance of self-awareness, self-management and social awareness,
three traits at the heart of this core competency. Jokinen elaborated on the importance of
each one, stressing that these characteristics are fundamental to the development of other
characteristics, such as guiding concrete actions and behavior or developing desired
behavioral competencies such as social skills, networking skills and knowledge itself.
Furthermore, Jokinen argued that self-awareness is a fundamental competency that, along
with personal transformation and inquisitiveness, is a condition for, and an actual
“driving force” behind the emergence of a wide range of other competencies. Self-
awareness, as defined by Goleman, Shein, and Shein (as cited by Jokinen, 2005, p. 205)
means that a person has a deep understanding of her/his emotions, strengths and
weaknesses, needs and drives, sources of frustration and reactions to problems.

Noting that approximately $50 billion a year is spent on leadership development,
Tubbs and Schulz (citing Raelin, 2006, p. 29), attempted to determine what competencies
and meta-competencies comprise leadership and whether they can be taught or learned.
Among these, they identified three distinct aspects of leadership: core personality,
individual values, and behaviors and skills. Within the personality area, they argued that
the idea of self-control defines a leadership style, in that it refers to a leader’s perception
of themselves and self efficacy and self esteem. A second component, entitled “locus of
control,” pertains to the extent that individuals hold themselves accountable for their
actions and its consequences. Those who attribute consequences to their own behavior are said to have an internal locus of control, and research finds that individuals with this competency are able to withstand more business setbacks because they perceive themselves as having a greater control of events. Research has also determined that those with a high degree of internal locus of control experience more work motivation, have higher expectations of their own job performance, and are less anxious.

Tubbs and Schulz would also agree with Caligiuri and DiSanto in stating that many of these competencies that are related to emotional or cultural intelligence are innate, and cannot be taught. Therefore, because of the direct link to leadership success and EI or CI, it would be very practical for human resource specialists to conduct an evaluation of these competencies in leadership candidates.

This literature review, which spans multiple fields and disciplines, indicates that there is strong support for the concept that effective global leadership today requires a new cosmopolitan construct with the five key competencies described. The next chapter elaborates on the methodological approach that will be used to investigate these issues.
Researching Global Leadership Competencies

Keyton defined research as the process of answering questions through the application of scientific and systematic procedures (2006). This project seeks to gain insight on areas directly related to global leadership competencies, and their existence or absence in the workplace. With three research questions already established, the research is grounded in a qualitative study design using an interpretive paradigm based on empirical data or information based on observations or experiences of communication (Keyton, 2006). A case study provides insight into how the five specific skill sets are currently utilized at Kraft Foods, a global corporation that is ranked at 53 on the 2010 Fortune 500 list of America’s largest manufacturers. Kraft, through its subsidiaries, manufactures and markets packaged food products, including snacks, beverages, cheese, convenient meals and various packaged grocery products.

For comparison purposes, the research first examines and compares how the organizational discourse aligns with the leadership competencies that have emerged in the literature review, and second, how those same competencies are exhibited by Irene Rosenfeld, the current Chief Executive Office (CEO) of that corporation, during a critical event. The event that has been selected is the acquisition of Cadbury, a 186-year-old company located in the U.K. Finally, the research determines whether the language or textual statements of the organization and leader actually align with the behaviors or actions. Truly, it is essential to determine whether or not there is a consistency between what is said and what is done. This is a decisive element in the research and directly influences the answers to the research questions.
There are three research questions guiding this research as I seek to determine how the five core competencies are utilized in today's global professional environment:

**RQ1.** What core competencies emerge in academic literature as key to effective global leadership?

**RQ2.** How does organizational discourse reflect or represent these key competencies that emerge in academic literature?

**RQ3.** During a critical event, how does a contemporary global leader enact the competencies that are articulated in academic literature and in the organizational discourse?

A comprehensive case study will review the aspect of desirable leadership qualities from two perspectives: the organizational discourse, and the leader's statements and actions. For this research I analyzed a wide range of textual data such as news articles, interviews, web content, and audio or video transcripts.

**Approach to Research**

**Defining qualitative research.** The word qualitative implies an emphasis on processes and meanings that cannot or will not be measured in terms of their quantity, amount, intensity or frequency. Indeed, the subtleties of conduct and interaction being analyzed in this thesis would be impossible to analyze through the mathematical data that a quantitative study might generate. What is appropriate to this study is that the qualitative researcher, according to Denzin and Lincoln (1994), stresses the socially constructed nature of reality, the intimate relationship between the researcher and what is studied and the situational constraints that shape inquiry.
Qualitative inquiry is also pertinent because of its deep history in the social sciences. Because this inquiry focuses purely on the global leader, who within virtually every aspect of their communication is working with other professional individuals in a social, albeit professional construct, we must look at the situation, the individual, the mode of communication and the effect it has on the organization. This supports Denzin and Lincoln’s definition of qualitative research (1994) as a field of inquiry that cuts across disciplines, fields, and subject matter.

Various methods or approaches would fall under the category of qualitative research, such as interviewing, textual or discourse analysis, participant observation, and visual methods. It has a long history in the human disciplines and was recognized as an important method in the fields of anthropology and sociology during the 1920’s. A group of scholars, known as the Chicago School, spread the then-novel methods of qualitative research during the 1920’s-1940’s. This trend was echoed by the Tavistock Institute of Human relations in the United Kingdom (Kakabadse, 2010). A resurgence in the quantifiable approach or positivism contributed to a decline in qualitative research studies following World War II.

Tesch (1990) maintains that more and more researchers, since the 1970’s, have been interested in a “new paradigm” that moves away from numbers and back to asking questions and observing. When conducting inquiries into human affairs, she suggests, the answers come back in sentences, not numbers. Observations result in notes that take the form of a description of an event. While data of this nature has come to be called qualitative, Tesch prefers the term “textual” or “descriptive.” Given the complex nature of social interaction, Stewart (2002) suggests that qualitative research is seen as an equal
partner with traditional positivistic methods in the development of an understanding of communication behavior. Furthermore, he maintains that the descriptive techniques that allow insight into communication behavior have earned respect within the discipline.

**Quantitative and qualitative differences.** In seeking to explore the differences between qualitative and quantitative research in the social sciences, Kakabadse and Deane (2010) argue that quantitative studies lack the ethnographic context that is necessary for the multiple-complexity of potential answers. They use the study of leadership as a platform to highlight the nuances of this argument, stressing that many dominant leadership theories, such as leadership “traits,” situations, and contingencies actually typecast leaders as separate from their arena of interactions. Therefore, the positivist model of research, with its thoroughly scientific bent, would not permit insight into the question or relevance of social meanings.

The role of cosmopolitanism also affects how an individual will interact with others on a social level. As defined by Vertovec and Cohen (2002), the cosmopolitan construct allows an individual to stand outside their own cultural experiences and draw selectively from a wide variety of discursive meanings. An individual who addresses their responsibilities from a cosmopolitan viewpoint would therefore utilize a variety of cultural repertoires, whether they are involved in decision making, championing a cause or even determining what is or is not useful information.

In defining the “field” of qualitative research, Denzin and Lincoln (1994) described it as being far from the unified set of principles that would create the construct for a quantitative study; instead arguing that it is defined primarily by a series of essential tensions, contradictions and hesitations. Certainly, when reviewing the discourse of
large, global organizations, we would expect contradictions and indeed would evaluate those for consistency as well as the more easily identifiable data. Keyton (2006) would suggest that qualitative research actually preserves the form and content of human interaction, which is clearly relevant to a research study on leadership competencies.

Denzin and Lincoln (1994) also argued that the qualitative researcher is more likely than a quantitative researcher to actually confront the constraints of the everyday social world. The qualitative researcher sees the world in action and embeds his or her findings in it. In addition, the qualitative researcher generally seeks to capture the individual’s point of view or subject’s perspective through detailed interviewing and observation. While the research for this thesis will not be based on personal observation, many of the articles and interviews that comprise the data are based on the close observation of a reporter, as well as text produced by the organization and/or its leader.

**The interpretive paradigm.** This thesis utilizes empirical data to locate and identify consistent trends in communication through the process of interpretation. The very practice of global leadership has countless influences on all our daily lives, so it is logical that the interpretive procedure, which seeks to lend structure and meaning to everyday life (Denzin & Lincoln, 1994) would be an ideal approach, one that aligns with the goals established for the thesis. Kakabadse and Deane (2010) argue that interpretation is fundamental in the search for knowledge, scientific or otherwise, noting that Homer, in Ancient Greece, helped to perform the interpretive function that is bridging boundaries between strangers, when he served as interpreter of the messages of the gods to the people.
All researchers are guided by their own beliefs when interpreting data. These beliefs shape how the researcher sees the world and acts on it. Because of the research elements utilized in the case study developed for this thesis, which show a predilection for very credible, confirmable evidence linked to behavior, the specific approach or paradigm within the interpretivist model of this report might be categorized as constructivist (Denzin & Lincoln, 1994). The constructivist paradigm assumes that there are multiple realities and a naturalistic set of methodological procedures.

The interpretive approach allows for a new language to emerge because it provides for another form of explanation for the diversity that exists in business and management (Kakabadse & Deane, 2010). Because it allows individuals to develop novel ways of understanding the world where the research is rooted, it should be considered a critical element in histography.

In addition to describing or classifying certain behaviors, which this thesis has already done in the literature review, the process of methodically establishing consistencies and interpreting that data proves useful in that it could potentially reinforce or redirect human behavior, simply because it provides information that integrates numerous aspects of the human experience (Kakabadse & Deane, 2010).

**Innate subjectivity.** While objectivity is a goal of the thesis, it is important to note that a degree of subjectivity will exist, simply due to the selection of objects as a result of decisions made regarding why some artifacts or objects are of greater importance than others. Another element of subjectivity is assumed because of the researchers' approach to the discipline or stock of knowledge. As defined by Jolstein and Gubrium (and cited by Denzin & Lincoln, 1994, p. 263) the researcher's stock of
knowledge consists of resources from which a person interprets experience and grasps the intentions and motivations of the individual who is the subject of the research. The stock of knowledge includes images, theories, ideas, values and attitudes that are applied to all aspects of our experience, making them meaningful. They can also be seen, in many regards as resources. For example, the information that is included in the literature review of this thesis then becomes a resource, or element within the stock of knowledge, for anyone who is interpreting the data. Indeed, Holstein and Gubrium would go on to suggest that while stocks of knowledge always produce a familiar world, one with which we are already acquainted, the myriad phenomena of everyday life renders the entire viewpoint as essentially incomplete, always open-ended with meaning that is subjected to interpretive analysis based on the concrete particulars of a situation.

Yet another important element in the interpretive paradigm is the social phenomenon that is rooted in our use of language and typifications. The majorities of one’s experiences confirm and reinforce the notion that individuals who interact with one another do so in a world that is experienced in fundamentally the same fashion by all parties, even though mistakes may be made in its apprehension (Holstein & Gubrium, as cited by Denzin & Lincoln, 1994, p. 263). This method of “interpreting and explaining” human action and thought is an undeniable aspect of this research and should be considered when reviewing the results of the research questions.

**The leaders’ situation.** Mary Douglas suggested that human reason is organized and expressed through processes of “institutional thinking.” Applying the phrase metaphorically, she argued that socially organized circumstances provide models of social order through which experience is assimilated and organized. Because this study
looks specifically at leadership, it is relevant to consider Douglas’ argument that “an answer is only seen to be the right one if it sustains the institutional thinking that is already in the minds of individual as they try to decide,” (as cited by Denzin & Lincoln, p. 268).

Similarly, Kakabase and Deane stress the importance of being cognizant of the situation where action or decision-making occurs. For a study on leadership techniques and competencies, which this is, the impact and importance of this element must be subject to review and interpretation as well. Kakabadse and Steane offer a meaningful introduction to this construct in their 2010 article on interpretation and meaning in research:

There is a wonderful German phrase in the form criticism school of biblical research—Sitz em Leben—meaning “situation in life.” It aptly describes how we understand history. Scholars are reminded to keep in mind the life situation of the authors in biblical text, and that both writing and interpretation are contextual. Students and scholars of history cannot avoid their ontological and epistemological influences. While interpretation can be accused of bias (Smith 1999), the challenge in the analysis and writing of history – the “endeavor of the scribe” (Lamond, 2006) is to balance the clinical reporting of facts with the insight to be gained from interpretation. (Kakabadse & Deane, 2010, p. 346).

The case study approach. Working within the interpretive paradigm, the case study approach provides insight into the manner in which leadership choices align
themselves with organizational discourse, particularly during a time of crisis. It offers a comprehensive look at the context within which those choices occur at the organizational and the individual level.

In seeking to clarify the meaning and utility of the case study method, Gerring (2004) defines this method of inquiry as an intensive study of a single unit with an aim to generalize, or create a deeper understanding that can apply to a larger set of units. The case study, Gerring argues, relies on the same “co-variational evidence” utilized in non-case study research. Therefore it is a particular way of defining cases, not a way of analyzing them or modeling causal relations. With this statement, Gerring clarifies why a case study will help illuminate the existence (or lack of) competencies in the operations of a current CEO when dealing with a critical incident.

Flyvbjerg (2006) argued that the context-dependent case study approach can lead to a much more sophisticated exploration of theory and method. To simply examine data or facts related to an area of interest would deny the reader the benefit of the origination, effect, and possible progression or transformation of leadership competencies. Similarly, in his exploration of the case study method in social inquiry, Robert Stake suggested that “one of the more effective means of adding to understanding for all readers will be by approximating through the words and illustrations of our reports, the natural experience acquired in ordinary personal involvement,” (1978, p. 5).

Here, Gerring’s position (2004) is also relevant. He highlights the advantages of the case study in social scientific research versus the cross-unit analysis that might occur in a non-case study research project. This latter method would exemplify principal causal inferences. Gerring argues that the case study design actually creates or constructs cases
from a single unit while remaining attentive to inferences that span similar units outside the formal scope of investigation. He contends that case study research design comports with any social-scientific, theoretical framework including behavioralism, rational choice, institutionalism, and interpretivism.

While this thesis does not attempt to establish theory through its research, Eisenhardt's (1989) arguments are relevant in terms of the strategy and purpose or usefulness of the case study. She defines the case study as a research strategy which focuses on understanding the dynamics present within single settings. She would suggest that most empirical studies lead from theory to data, but that the accumulation of knowledge involves a continual cycling between theory and data, which is a key strength of the case study method. The data collection method for the case study, Eisenhardt argues, can consist of archives, interviews, questionnaires, and observations. These objects can be used to accomplish various aims: to provide description, test theory or to generate theory. Theory developed from case study research is likely to have important strengths like novelty, testability, and empirical validity, which arise from the intimate linkage with empirical evidence. Given the strengths of this theory-building approach and its independence from prior literature or past empirical observation, the case study, according to Eisenhardt, is particularly well-suited to new research areas or research areas for which existing theory seems inadequate, such as global leadership competencies within a cosmopolitan framework.

Yin, who noted that a case study could contain quantitative as well as qualitative data, maintained that the case study does not imply any specific type of data collection method, and in fact notes that while it is a research strategy on the same level as an
experiment, a history, or a simulation, none of these strategies actually have to present quantitative data, even experiments. As a research strategy, Yin argued that the distinguishing characteristic of the case study is that it attempts to examine contemporary phenomena (such as global leadership) in a real-life context, especially when the boundaries between context and the phenomenon are not clearly defined. This viewpoint aligns with the writings of Kakabadse and Stean (2010) on the impact or influence of the situation.

Robert Stake (as cited by Denzin & Lincoln, 1994, p. 201) would define the method used in this thesis as an intrinsic case study. That is because the research examines a single case or instance of the phenomenon in question and then seeks to identify patterns or instances that will answer the research question. While each leader and organization will clearly differ, the goal is to identify certain indicators that are representative of the entire phenomena, for example, if a leader does not exhibit emotional intelligence in a certain situation, than the result may offer information that is useful on a more universal level.

**Strategies of Inquiry**

The strategy of inquiry comprises the skills, assumptions, and practices used by the researcher as he or she moves from the paradigm and research design to the collection of the empirical materials (Denzin & Lincoln, 1994). These strategies connect the researcher to specific approaches for collection of the empirical materials and in this case that approach is the case study, being conducted on two levels within the same organization.
The research model. As established earlier, this thesis identifies and explores the five core competencies of global leadership within a cosmopolitan framework: An ethical perspective, a global mindset, a tolerance for ambiguity and uncertainty, an acceptance of complexity, and emotional and cultural intelligence. The literature review examined the theoretical findings related to global leadership, cosmopolitanism and each of the five core competencies along with empirical findings of significance. It also offered a comprehensive comparison of the various perspectives, identifying common themes and related findings that led to the development of my research questions.

The case study that follows investigates how the five specific skill sets are currently utilized in the field of business. A brief history of Kraft and its C.E.O. helps provide context for the discourse and/or actions of its leader. Following the presentation of background materials, the public “discourse” of the organization is investigated, as it pertains to the five core competencies, as well as the actions and language of its leader during a critical event.

The research data. Research for this thesis relies on the use of artifacts or measures of accretion that are linked to social or business interaction, either by Kraft Foods or its leader. The measures of accretion are unsolicited and naturalistic, in that they occurred whether or not this research was being conducted. Both areas within the case study will utilize the following types of qualitative data: articles in newspapers or magazines, website content, transcribed radio or television interviews, video content, official statements posted on the Kraft website, and any official publications or quotations authored by, or offering quotes from, the C.E.O. or organizational leadership. All materials will have been generated for mass distribution, making them part of the
public record. Data for this thesis is submitted for review in Appendix A (data utilized for the research on Kraft Foods) and Appendix B (that which pertains to its CEO, Irene Rosenfeld).

**Organizing the data.** Qualitative research is endlessly creative and interpretive (Denzin & Lincoln, 1994). Thus, the empirical materials need to be subjected to a consistent process of indexing or coding in order to make sense of the findings. Following the accumulation of all empirical data, the materials will be coded for easy reference (authors’ name and a random number) and then read and analyzed for content, narrative and semiotic strategies.

**Textual analysis.** Researchers use content or textual analysis to “identify, enumerate, and analyze occurrences of specific messages and message characteristics embedded in communications texts” (Frey et al., 1992, p. 194). While the types or modes of textual analysis range from syntactical (looking at words, sentences and paragraphs) to referential (people, events, objects, and issues), I have utilized a thematic approach to the content analysis, looking for general topics and patterns as they appear in the data.

Following the textual analysis, the objects or artifacts used in this inquiry will be classified as to the presence or possible negation of a core competency (or category), either in the organizational discourse, or actions/statements by the leader. Cross-coding will indicate the presence of two or more competencies within one area. The significance of the various elements or artifacts will be determined by checking through the documents and field notes derived from the literature review or background materials. Each artifact used in this research will be listed in a table to allow for easy reference or cross-referencing within the thesis. Interpretations will be constructed from field notes.
and artifacts or objects, moving from text to notes, towards building an analysis of intertextual representations of the core competencies. Here, it is interesting to note that the practice of making sense of one’s findings (Denzin & Lincoln, 1994), is both artful and political.

**Data triangulation.** My primary research goal is to offer consistent and reliable findings that I can present with confidence. Data triangulation, or the process of using a variety of viewpoints and sources to quantify findings, is key to that process. The triangulation metaphor, Van Mannen argues, is similar to the basic principle of geometry in that multiple viewpoints allow for greater accuracy. Similarly, he suggests that an organizational researcher can improve the accuracy of their judgments by collecting different kinds of data bearing on the same phenomenon. Finally, the effectiveness of triangulation, according to Van Mannen, rests on the premise that the weaknesses in each single method will be compensated by the counter-balancing strengths of another. In this way, triangulation exploits the assets or strong points of an argument and will help to neutralize the weaknesses.

**Presentation of the data.** Following the construction of the research table, there is a presentation of the empirical data as it compares with the themes presented in the literature review; with an eye for emerging patterns. The analysis that follows was developed within the constructivist paradigm. They are further supported by statements and behaviors as they appear in the empirical data as well as the themes in the literature review. Emerging patterns in analysis are supported by direct quotations from the data. Finally, I provide an interpretive commentary regarding the findings and how they relate to each of the research questions.
The Case Study: Kraft Foods and Irene Rosenfeld

The purpose of this case study is to identify the presence or absence of the five core competencies related to effective global leadership, both in the discourse of the organization and in the actions of its leadership during a critical event.

Historic Context

In order to put the data into perspective, the following pages provide background information on Kraft foods, Irene Rosenfeld, and the Cadbury acquisition.

Kraft Foods. While many of Kraft’s acquired products, such as Terry’s of London (1767) and Baker’s Chocolates (1780) originated in the 18th century, the original Kraft Foods (Kraft) dates back to 1903, when James L. Kraft began a wholesale cheese business in Chicago, Illinois (Kraft Foods Website, 2010). In 1915, the company had invented pasteurized processed cheese that did not need refrigeration, thus providing a longer shelf life than conventional cheese. The process was patented in 1916 and about six million pounds were sold to the U.S. Army for military rations during World War I (Kraft Foods-Wikipedia, 2010). In 1916, the company began national advertising and had made its first acquisition — another cheese company from Canada. J.L. Kraft went public in 1924, changing its name to the Kraft Cheese Company. By 1930, it was the largest dairy company in the United States and the world, exceeding Borden.

The company grew through the years, launching Velveeta cheese in 1928 and the first commercially packaged sliced cheese, Kraft Deluxe, in 1950. In 1985, Phillip Morris Co. purchased General Foods for $5.6 billion and in 1988 purchased Kraft for $12.9 billion. A year later, General Foods (which already owned many of the current Kraft products, such as Tang, Nabisco, and Oscar Mayer) and Kraft merged to become
In 1995, that company changed its name to Kraft Foods. The year 2000 was very significant because Philip Morris acquired Nabisco Holdings Corp. and integrated it into Kraft Foods, giving Kraft ownership of many powerhouse brands, and prompting the shares of Kraft Foods Inc. to begin trading on the New York Stock Exchange.

In September, 2007 Altria, (the former Phillip Morris company), announced that it would spin off its 89 percent stake in Kraft Foods, in order to increase shareholder value (Doran, 2007). Kraft, once freed, hoped to use its soon-to-be-listed shares as currency to fund a rapid acquisition program. It was at this point that Irene Rosenfeld became CEO, replacing outgoing CEO Roger K. Deromedi (Hallinan, 2006). This led to the acquisition of the huge Groupe Danone global biscuit business and Cadbury. On August 7, 2010, the Cadbury acquisition began to pay off, with Kraft Foods announcing a 25 percent rise in revenue (Kraft profits rise, 2010).

The current motto “Make Today Delicious,” was launched in 2009 along with a three-year plan to emphasize the employees’ role in creating ‘delicious’ products and a strong corporate identity. That motto is heavily promoted both internally and externally in communications that are related to business and charitable efforts. It reflects CEO Irene Rosenfeld’s plan to restore growth to the giant corporation and was announced during a global town meeting that was simulcast to employees (Zerillo, 2009).

Kraft has been recognized through the years for charitable efforts and good employee relations. For seven years the company was recognized as “One of the 100 Best Companies for Working Mothers” by Working Mother magazine (“Kraft Foods Named One of,” 2008). Charitable efforts generally revolve around health and well-
being, through fighting hunger and malnutrition. The company website communicates that Kraft has donated more than $770 million in cash and food over the past 25 years. The company received the Asian CSR Award for funding Save the Children’s hunger-relief initiative (PR Newsire, 2010). Through the Kraft Foods Foundation, they pledged $180 million over three years, to get more food and better nutrition and information to children and families (Kraft foods website, 2010).

Today, Kraft Foods is the world’s second largest food company with annual revenues of $48 billion and 97,000 employees. It markets 11 food brands with revenues exceeding $1 billion, including: Maxwell House, Cadbury, Trident, Milka, Nabisco and its Oreo brand, Philadelphia, and Oscar Mayer. Approximately 70 brands have revenues greater than $100 million. More than 40 of its brands are at least 100 years old with confectionary foods responsible for the largest portion of revenue (29 percent). The company relies on North America for 49 percent of its business and Europe for 25 percent, with developing markets resulting in the balance.

Irene Blecker Rosenfeld. Irene Rosenfeld was born on May 1, 1953 and grew up on Long Island, New York. After graduating from W. Tresper Clarke High School in Westbury, she attended Cornell University, where she received an undergraduate degree in psychology, an MBA and a PhD in marketing and statistics (Davidson, 2010). Described as “tall and lean” Rosenfeld, who played “a dozen” sports in high school, cites Wimbledon legend Martina Navratilova as a “tremendous inspiration” and still packs a punch on the tennis court, prompting one associate to comment that “you don’t want to get in her way.” Colleagues describe Rosenfeld as charming, reserved and steely hard,
but her strongest characteristics are her competitiveness and work ethic (Nye & Pettifor, 2010).

Rosenfeld began her business career at Dancer Fitzgerald, a New York advertising agency, later bought by Saatchi & Saatchi. Her core interest, which drove her into advertising, was people, stating: “I’ve always been fascinated with how people think. I can spend hours at airports looking at people, thinking about who they are and what motivates them—it’s been a fascination of mind since high school,” (Davidson, 2010, p. 7).

Following Saatchi & Saatchi, Rosenfeld moved to General Foods, where she became the company’s first female general manager. Philip Morris acquired General Foods in 1985 and Kraft Foods in 1989, merging the two. Rosenfeld, who was married by this time and had two daughters, moved from New York to Kraft’s Chicago base. At Kraft, she made her name reviving brands such as Kool-Aid, and spotting promising acquisitions such as the lucrative distribution deal for Capri Sun. As Rosenfeld rose up through the ranks of Kraft, she developed a reputation as a tough and insistent boss. Says James M. Kilts, a former Kraft president who later ran Gillette: “Irene didn’t need a lot of advice. That’s why I like her. She was giving me the right answers” (Berfield & Arndt, 2010).

Rosenfeld rose to run Kraft in Canada and North America, before leaving in 2004, primarily due to unhappiness with the growing demands of Altria. She confirmed this in an interview (Davidson, 2010): “Food and tobacco have different characteristics, and over time the food business was not able to make the investments that we needed.” She took a year off and then jumped to Frito-Lay in 2006, reviving the brand with healthy,
low-calorie snacks. Following the Kraft Foods demerger with Altria, Rosenfeld returned in 2006, replacing Deromedi. She immediately worked to spur growth by investing more than $400 million in restoring the "luster" of iconic brands, such as Oreos and Kraft cheese. In October, 2009 Rosenfeld jumped to the coveted No. 2 spot on Forbes' "The World's 100 Most Powerful Women" list, up from her No. 6 position in 2008. She came in just behind Michelle Obama, and skirted ahead of both Oprah Winfrey (No. 3) and PepsiCo CEO Indra Nooyi who was ranked No. 6 (The world's most, 2010).

In late 2009, Rosenfeld began spearheading the acquisition of Cadbury, concluding with a hostile takeover that ended in February, 2010. Commenting on Rosenfeld's ability to effectively triumph over stockholder Warren Buffett's strong objections to the Cadbury acquisition, Peter Langerman, chief executive of Mutual Series, part of Franklin Resources and itself Cadbury's largest shareholder, said of Ms. Rosenfeld: "There are not many people who could go eyeball-to-eyeball with someone like Buffett. I think that says something about her resolve" (Waller & Frean, 2010).

Married to Richard Illgen, an investment banker, Rosenfeld resides in Kenilworth, Illinois (Morris & Mallia, 2010). She has two daughters and retains the last name of her first husband, Philip Rosenfeld, who died in 1995 (Waller & Frean, 2010). Rosenfeld is a member of the Economic Club of Chicago. She serves on the Board of Directors for the Grocery Manufacturers Association and the Cornell University Board of Trustees.

**Rosenfeld's leadership style.** Echoing her former boss, Kraft president James M. Kilts, Rosenfeld's publicly proclaimed first "rule of the road" ("100 days into the job," 2007) was to make sure that she had "the right people on the bus." An early move by the new CEO in 2007 was to trim the executive ranks of her organization by removing four
senior executives and installing a “dream team” of executives to enable the individual
global businesses to gain back their decision-making power and align with Kraft’s global
strategy with local goals.

An internal Kraft memo from Rosenfeld stated that the company was mired in
“bureaucracy and confusion about who is accountable for what,” which was hindering
“new-to-the-world” innovations. The candor of the memo, and a “Global Town Hall,”
phone call to employees was greeted as a welcome surprise. Ultimately, by the time she
was finished aligning her ideals and strategies at Kraft, Rosenfeld had replaced roughly
50 percent of the top two layers of management (Thompson, 2006).

In an interview with *The Financial Times*, Rosenfeld demonstrated beliefs or
qualities that are consistent with the “leader as steward or servant” (Maak & Pless, 2006).
This model is useful in complex and uncertain work environments, such as a global food
business. It also works to bring together a number of conflicting interests. True to that
model, Rosenfeld maintains a broad perspective on business issues and seeks to be a
guardian of values and integrity, such as campaigning for diversity in the workforce and
supporting Kraft’s efforts to fight hunger worldwide, stating that:

Our emerging workforce is not interested in command-and-control leadership.

They don’t want to do things because I said so; they want to do things because
they want to do them. The captain of industry who continues to run his
business in a militaristic, ‘siloed’ way cannot compete in this global economy.”
(“Irene Rosenfeld,” 2010).
Similarly, Rosenfeld professed her belief in supporting staff, evaluating their ability to perform the job and making sure staff members have what they need to get the job done:

“I spend most of my time on the people. At the end of the day, the performance of a company like Kraft has everything to do with the quality for the people that we have in the key roles and so I spend most of my time worrying about whether that’s the case, making sure and do we have the right people in the right places, that they have the resources that they need to get the job done.”

(Public Media Radio interview, 2009)

Rosenfeld demonstrated transparency and a strong propensity for a global mindset right from the start of her tenure at Kraft. Speaking at her alma mater Cornell (100 days into the job, 2007), she stressed how she spent most of the initial days as CEO traveling around the world, visiting employees, and hosting town hall sessions to hear what was on people’s minds. She also established an internal website to gather employee ideas and thoughts from the entire Kraft organization. Within a few short weeks, she had received hundreds of emails from interested employees. This stands in stark contrast to her actions pertaining to the Cadbury acquisition in 2010, when it took over eight months for her to visit the historic heart of the organization in Bournville, U.K (Wilson, 2010).

During her first months as CEO of Kraft, Rosenfeld stressed the importance of change and while overhauling the company, added the internal slogan “let’s get growing,” to virtually every internal correspondence or speech. She told Kraft’s nearly
100,000 employees that the company had lost its heart and soul and needed to rewire for growth. Not only did she replace half of her executive team but also half of those in the next two levels down (Berfield & Arndt, 2010). In her efforts to bring together remaining staff and move forward, she discovered that engagement and conciliation were the best ways to handle powerful dissenters. In this way, Rosenfeld demonstrated a propensity for the emotional or cultural intelligence that is vital in a global leader.

Rosenfeld considers herself a leader when it comes to social responsibility. Increasing diversity among employees and especially management was an early “passion.” This underlined her early leanings towards a clear global mindset and tolerance for ambiguity. Early in her tenure as Kraft CEO, she instituted a system whereby managers were compensated on the basis of the diversity of their teams. Rosenfeld stated that it was not just a societally responsible thing to do but also made good business sense (“Irene Rosenfeld,” 2010). She also prides herself on extending that sensibility to advertising and marketing, stating: “We’re very proud of our social responsibility as marketers. We have strict policies on advertising to children and we don’t market products we don’t feel good about,” (Davidson, 2010).

Rosenfeld was also a strong proponent of the idea of ‘shared values,’ which could be likened to the global mindset. Kicking off a conference in Las Vegas (Kraft foods CEO, 2010), she stressed the importance of utilizing the internet and social media, to determine market strategies on a global scale. Where previously brands acted as teachers and marketing was designed to build an image around a brand, today the paradigm is reversed, with brands learning from consumers and finding new ways to connect with consumers. One way, Rosenfeld stressed, was through the desire to find shared values.
She identified a hockey program in Canada, co-sponsored by the NHL and NHL Players' Association, as one way that Kraft connects with Canadian consumers.

When asked to comment on the fact that she is often labeled as hard-nosed, competitive and determined, Rosenfeld replied that she strongly supports the notion of servant leadership:

I happen to believe these are important attributes to business success, so I don’t apologize for them. It’s fair to characterize me as competitive and determined, but anyone who works with me will attest to the fact that I believe very strongly in the notion of servant leadership. I am here to enable the organization’s success, as opposed to it being there to enable my success.” (“Irene Rosenfeld,” 2010).

**The Cadbury Acquisition.** Cadbury had been in Kraft’s sights for a while, but the merger grew more urgent after the 2008 purchase of Wm. Wrigley Jr. Co. by Mars Inc. This deal gave Mars a commanding, number-one position in the confectionary market and sales of chewing gum (Cadbury produced the Trident line) had risen faster than every other segment of the candy market in the preceding five years (Waldie, 2009).

One of Rosenfeld’s chief allies at Kraft is activist investor Nelson Peltz, who owns 10% of the company. Peltz, who is also a big investor in Cadbury Schweppes, convinced the company to sell its soft drink division in 2008 and become a purely candy company. This set the stage for Rosenfeld’s eventual hostile bid but also provided Cadbury with its philosophical defense that it did not want to become part of a
As the 2008 recession began to abate, Rosenfeld investigated ways in which she could transform Kraft Foods. That investigation brought her to the possibility of purchasing Cadbury. The British food giant, which sells Trident gum and chocolate in 60 countries, had sales of about $8 billion. It was considered a fast-growing global business with high profit margins (Berfield & Arndt, 2010). In 2008, Cadbury had a 12 percent growth in developing countries (Waldie, 2009).

After settling on a price, Rosenfeld approached Cadbury chairman Roger Carr with an offer, calling him when she was in London and arranging a business meeting on August 28, 2009. According to Carr, “she was brisk, efficient, delivered her proposal and left quite quickly.” The two have not spoken since. The initial bid for Cadbury was deemed “derisory” by Carr, despite Rosenfeld’s efforts to utilize the British media and public about the great promise of a merger. Cadbury initially preferred a merger with Hershey, a pure confectionary business, rather than being subsumed by Kraft, which it deemed to be a low-growth conglomerate (Davey, 2010). At the time, Cadbury employed approximately 45,000 people in 60 countries with a staff of 5,600 at eight manufacturing sites in the UK and Ireland. The trade union Unite feared that 7,000 jobs at Cadbury would be threatened if the takeover went ahead, because of the “colossal” amount of debt that was involved in the sale (“Resistance melts,” 2010).

In September of 2009, Rosenfeld flew to London to persuade institutional shareholders to back her takeover offer for Cadbury. She met with shareholders one-on-one, but was unable to summon the support she needed. Rosenfeld followed up with a hostile bid for the company on November 9, 2009. Meanwhile, Kraft was able to sell DiGiorno and the rest of their pizza business, an isolated brand that did not seem to make
much business sense, internally. While the deal worked to provide the cash Rosenfeld needed, Warren Buffet, a major stockholder, went public with his concerns, calling Rosenfeld’s proposal a “blank check;” one that was wasting Kraft money. On Tuesday, January 5, 2010, Buffet’s holding company, Berkshire Hathaway, Inc., said publicly it would vote against her plan to issue new stock to pay for the Cadbury acquisition and urged other stockholders to vote “no” as well (Lublin & Cordeiro, 2010). According to a Rosenfeld acquaintance, the CEO alerted fellow board members on January 5, just before Berkshire Hathaway, which owns 9.4% of Kraft, released a statement laying out its objections to the share-issue plan, which it fears was a “blank check.” According to this same source, some of the directors were shocked to hear about the critique from the investing guru. Rosenfeld responded by releasing a prepared statement that announced her willingness to include additional cash in the offer.

On January 12, Roger Carr released a stinging defense document on Cadbury’s web site, saying that “the bid is even more unattractive today than it was when Kraft made its formal offer.” Kraft called that argument “underwhelming.” Finally, on February 9, 2010, Rosenfeld increased her offer to $19 billion and the bid for the British confectionary institution was accepted. This represented a large increase from the original $16.7 billion offer. The takeover was financed by $7 billion pounds of debt, making Kraft itself a prime target for asset-stripping (Nye & Pettifor, 2010). The Cadbury acquisition highlighted Rosenfeld’s clear, focused determination as a business leader. While it was criticized by many, including Warren Buffet, Kraft reported a second-quarter net income increase of 13.3 percent and revenue growth, largely due to the Cadbury purchase, of 25.3 percent. (Morris & Mallia, 2010).
Following the acquisition, Rosenfeld received a standing ovation from Kraft employees at the Northfield headquarters. But analysts wondered if the applause would last (Hughlett, 2010). Commenting on the merger was Thomas Lys, a professor and acquisitions expert at Northwestern University’s Kellogg School of Management:

In a merger, this is the best time. This is the honeymoon… big mergers are notoriously hard to pull off. Management will be shuffled where Kraft and Cadbury operations overlap. Some factories will likely close. Jobs will be shed too, as Kraft seeks to pay $675 million in costs. They are (currently) drinking champagne. Next comes the morning after. (Hughlett, 2010).

Personnel changes at Cadbury were a likelihood, as they usually accompany any acquisition. Media initially reported a “brain drain” or huge loss of executive power at Cadbury and indeed five senior executives quit immediately following the takeover. Less than 24 hours after Kraft gained control of Cadbury, it was announced that Roger Carr, the chairman, and Andrew Bonfield, chief financial officer, would join chief executive Todd Stitzer in stepping down. Mr. Stitzer was with the company for 27 years (Sibun, 2010). Within months, Mark Reckitt, Cadbury’s chief strategy officer and the most senior executive left at the confectioner, had resigned. Phil Rumbol, Cadbury’s UK marketing director also quit in August 2010. However, Kraft announced in September, 2010 (Rigby, 2010) that of the company’s 400 leadership positions, 30 percent had gone to Cadbury staff.
While Rosenfeld had publicly announced that she hoped the merger would be a "net importer" of jobs to Great Britain, this was not the case the first year. An announcement to close the Somerdale plant within one month of the acquisition directly contradicted an earlier pledge to keep it open and on May 11, 2010, Kraft announced plans to close two of its own offices in the UK and transfer operations to Cadbury sites, a loss of an additional 600 jobs (Sibun, 2010).

Analysis of the Data.

This thesis identifies and explores five core competencies of global leadership, within a cosmopolitan framework. These five areas or elements are: An ethical perspective, a global mindset, a tolerance for ambiguity and uncertainty, an acceptance of complexity, and emotional and cultural intelligence. A literature review has examined the theoretical research related to global leadership, cosmopolitanism and each of the five core competencies along with empirical findings of significance. It then offers a comprehensive comparison of the various perspectives, identifying common themes and related findings that led to the development of three research questions.

Flyvbjerg (2006) argued that the context-dependent case study approach can lead to a much more sophisticated exploration of theory and method. The case study within this thesis provides insight into how the five specific skill sets are currently utilized in the field of business, specifically in the public discourse of Kraft Foods corporation and within the demonstrated leadership competencies of its CEO Irene Rosenfeld during a critical event-- the Cadbury acquisition. A variety of qualitative data has been used to investigate the presence or absence of the five core competencies in the corporate leadership arena. This thesis explores how the five core competencies are represented
and enacted in the discourse of the organization and its leadership during a critical event.

**Kraft Foods.** Today’s transnational corporations seek to present a vision of social responsibility alongside their business visions. Consequently, a general discourse of globality or “globe talk,” has become a vital component of our contemporary culture, whether financial profit is involved or not (Garsten, 2003).

**An ethical perspective.** A sense of interconnectedness is at the heart of this construct, as complex global systems, from financial to ecological, (Held, 2003) connect the fate of communities in one locale to the fate of communities in distant regions of the world. In Morrison’s paper on the integrity of global leadership, he aligned the importance of upholding and encouraging the growth of actions that support the well-being of others, far beyond the corporate realm (2001).

Where once we conceived of a world order in terms of vying and competing political systems, Pollock argues that the spirit of world citizenship and a genuine desire for equality is the new universal norm (2000). Beck (2000) addresses the importance of an environmental stance, proposing that the political, economic, and cultural turmoil of world risk constitutes a kind of “negative currency” that provides coins that no one wants, whether they be based on ecological or environmental impact, the consequential dangers of poverty, or the dangers of military confrontation. Of these two, certainly the first two areas, ecology and poverty, would impact the actions of global organizations that may be tempted to exploit the resources of poorer country through abusive environmental and/or labor practices.

Kraft’s values are stated from the onset on the company web site that announces: “We listen, we watch, and we learn. We understand (our consumers’) joys and challenges
because we’re consumers too. In discussing the company’s core values towards behavior, the web site states: “We are open and inclusive, we inspire trust, we lead from the head and the heart, we discuss, we decide, we deliver.”

Actions sponsored by Kraft support this discourse through worldwide efforts primarily related to fighting hunger and malnutrition. In China, after it was discovered that malnutrition (and not hunger) is a key problem, Kraft Foods China and the China Youth Development Foundation worked to improve food safety and the health of primary school students in rural areas through educational programs. Additionally, Kraft has built 100 Hope Kitchens in five Chinese provinces, benefitting 50,000 children between the ages of 6 and 12. Employee volunteers have chipped in, teaching children how to prepare food (“Kraft Foods finds recipe,” 2010).

Additional initiatives also address the issue of hunger or malnutrition. In the United States, the “Huddle to Fight Hunter” initiative, with a football theme, was launched to provide 20 million meals; the “Make a Delicious Difference Week” brought 20,000 employees in 56 countries from “the Middle East to the Midwest… working to raise awareness of social issues, planting community gardens, building playgrounds, serving nutritious meals to hungry,” (Kraft Foods web site, 2010).

Other efforts noted on the web site include a $4.5 million commitment in the US to establish mobile pantries for food “deserts,” which are areas without reliable access to grocery stores, emergency food assistance, or nutritious food (Goldschmidt, 2010); Kraft Foods’ “academies” in the barrios of Venezuela and efforts to help over 10,000 families in Russia.
A Kraft charitable effort was soundly criticized last summer, when the company sponsored an upcoming implosion of the Texas Stadium. At the time, Kraft was launching its new ‘Cheddar Explosion’ macaroni and cheese product, and sought to use the event to publicize it. They promised to donate $75,000 in food to Irvine, Texas. They also hosted an essay contest for children who had done charitable works in their neighborhood, granting the winner the “honor” of pushing the button on the stadium implosion (Formby, 2010; Raskin, 2010; Bowers, 2010; “Terril youngster wins right,” 2010). Controversy to this plan arose on three fronts: A local medical nonprofit group criticized the City of Irvine for linking arms with Kraft and promoting unhealthy foods. The nonprofit also offered to donate $75,000 and sought to use the event to highlight childhood obesity. This offer was turned down. Secondly, a local blog took issue with Kraft’s decision to give this “honor” to an 11-year-old child, when children are already subjected to so much violence on the TV and interest, prompting one blogger to state: “I just wish Kraft and other grownups could have come up with a better way to say goodbye to the Texas Stadium, other than having a young boy at the helm of the explosion.” (“Boy, 11, blows up stadium,” 2010). Finally, the food donation that Kraft had initially promised to the city by early June was two months late due to a “heavy demand” from consumers, meaning that Kraft sold the intended food in the marketplace, rather than donating it at the promised time. Kraft increased the amount of the donation by $25,000 (“$100K in Kraft Food to arrive Monday,” 2010).

Environmental efforts by Kraft are mentioned in a “Responsibility Report” on the company website. This tells us that Kraft has worked to reduce packaging by over 174 million pounds; cut greenhouse gas emissions and energy use by 17% and 15%
respectively, and reduced water consumption in its manufacturing by 32%. The website proclaims that Kraft has partnered with the Bill and Melinda Gates Foundation to invest $90 million to advance sustainable production of cocoa and cashews in West Africa and improve the lives of farmers through the African Cashew Initiative and World Cocoa Foundation and US Agency for International Development in creating a program called ECHOES (Empowering Cocoa Households with Opportunities and Education Solutions). This organization seeks to cut back on child labor in the field and helping students and teachers promote sustainable cacao farming.

While Kraft maintains that it is the “largest purchaser” of Rainforest Alliance Certified coffee and cacao beans, the creation of this certification outraged the Fairtrade Foundation, set up in 1992 to help small-scale farmers by establishing its own rival certification with the Rainforest Alliance. This undermined what the Fairtrade Foundation had successfully established years earlier, paying farmers significantly less than the flat rate agreed upon with Fairtrade (65 cents versus $1.21). Fairtrade argued that rival certifications would damage the consumer appeal of coffee produced to high ethical criteria (Bowers, 2004) and separate environmental sustainability (Kraft’s claim) from economic sustainability, which should truly go hand-in-hand.

In the public discourse involving Kraft Foods, there is an abundance of politically correct “globe talk,” as Garsten would suggest, with areas that demonstrate competencies in all five areas. Like most transnational corporations, there are actions that belie the political appropriateness of the globetalk, and these usually border on a lack of an ethical perspective and/or cultural intelligence. Charitable efforts by Kraft certainly support its discourse in the areas of responsiveness and empathy. Environmental efforts support the
company's efforts to present an ethical perspective, including the "Responsibility Report." However, the Kraft implosion sponsorship effort was heavily self-serving to the point that they marketed an unhealthy product to children and demonstrated a lack of sound judgment by having a young child activate an enormously destructive implosion.

Finally, it is critical to note that job loss related to the Cadbury acquisition strongly indicated a lack of ethical perspective, as the Kraft Corporation made adamant promises to increase and not decrease jobs in the U.K., and within three months of the merger announced the elimination of over 600 jobs (Sibun, 2010).

**A global mindset.** The notion of geocentrism serves as an underlying construct for many of the conceptualizations of global mindset. Perlmutter (as cited by Levy et al., 2007, p.233) describes this as a "world orientation," as opposed to ethnocentric (home-country orientation) or polycentric (host-country orientation). According to this theory, managers with a "geocentric" mindset manifest universalistic, supra-national attitudes, downplaying the significance of nationality and cultural differences in determining who is competent or trustworthy.

In the Philippines, Kraft provides a flexible time policy plus culturally appropriate amenities for employees: A zen garden, a 24-hour canteen, a gym, and a spa, all built into its compound ("Kraft Foods Philippines offers," 2010). The general manager stated that the goal was to "modernize the office space" and make them consistent with the values of "transparency, honesty, teamwork, leadership, and excellence," referring to the building's transparent walls, see-through offices, and history wall to instill company pride. "We have maximized our spaces to provide employees opportunities to manage work-life balance with facilities built right into the office to remind employees of a higher purpose:

To suit consumers in China, Kraft altered its Oreo recipe, creating a lighter, crisper cookie that is aligned with cultural preferences (Lee, 2009). "The business model we had in China was based on what we did in the US," said Shawn Warren, vice-president for marketing at Kraft Foods Asia."We lost market share and we had to change our mindset."

When Kraft announced its increased third quarter profits due to the Cadbury acquisition, they linked it with a statement regarding the ‘worldwide centre’ of excellence that now exists in the U.K., where the best of both companies will shine, (“Kraft profits rise,” 2010).

Through its discourse and actions on a global level, Kraft indicated an outwardly geocentric sensibility, communicating efforts to meet the cultural proclivities of employees worldwide. Successful efforts to demonstrate a global mindset include the promotion of a good work-life balance in the Philippines, altering the Oreo recipe to suit consumers in China (which undoubtedly helped boost product sales), and the statement regarding the ‘worldwide centre’ of excellence in the U.K. Data in this area indicates that company discourse and actions downplay the significance of cultural differences and acknowledge the importance and worth of employees, regardless of their culture.

_A tolerance for ambiguity and uncertainty._ Budner (as cited by Lane & Klenke, 2004 p. 2), defined tolerance for ambiguity as “the tendency to perceive ambiguous situations as desirable,” and held that ambiguous situations are defined by a lack of sufficient information.
As part of its “Make Today Delicious” motto introduction in February of 2009, Kraft launched "The Mix," an employee-only intranet to boost communications that are related to the popularity of social media activity. The new site offers blogs, discussion boards, wikis and an online Question & Answer forum where employees can post anonymous questions. Formerly isolated departments such as Research and Development are now actively talking with “global colleagues about how to tackle a challenge.” Simultaneously on this site and in communications, Kraft introduced a new, friendlier communications tone and style that will

…do away with confusing and vacuous jargon, in a way to connect with employees across the spectrum of the workforce (and)... include the entire staff roster in communications. For many companies, the list of employees is not just the people in the e-mail address book. Those who are out in the field are valuable parts of the business and should be included in the discussion (“Inner dialogue,” p. 44, 2009).

The changes made at the Philippines office indicate that a great deal of tolerance of ambiguity and complexity had to occur before Kraft called upon creative consultants and designers to create a zen garden and ‘innovation room’ with unconventional furniture and glass walls facing a calming infinity spring. (“Kraft Foods Philippines offers,” 2010). Data demonstrated that Kraft’s charitable efforts are tailored to local culture, from the Kraft football-themed program that provides 20 million meals in the U.S. (Kraft Foods Kicks Off, 2010) to the production of liquid soap in Brazil (where it was
Kraft Foods has demonstrated an ability to accept ambiguity and uncertainty when it pertains to internal employee-based communications. What is notable regarding the new communications and intranet procedures is that Kraft is willing to encourage and tolerate new thoughts and ideas from a vast population on a day-to-day basis. The company also demonstrates this competency in its charitable efforts, tailoring employee projects to the cultural mores of the home country.

**An acceptance of complexity.** Scholars and researchers of leadership referred again and again to a mindset that looks at a broader scope than the traditional corporate American leader had typically done. In his 2007 book, *Five Literacies of Global Leadership*, Hames argued that the familiar leadership practice and process of reviewing, interpreting, and analyzing the past to make well-founded business decisions is obsolete. According to Hames, nothing is constant. The world of contemporary leadership requires letting go of the past and breaking out of the mind traps that threaten to misinform and deceive. It would require using multiple viewpoints for informed decision making, rather than relying on narrowly biased views.

It is interesting to note that Khosla, the billionaire venture capitalist and co-founder of Sun Microsystems, believes that commercial entities can better help the impoverished than most nonprofit charitable organizations. His advocacy of the bootstrap powers of capitalism is seen as part of a growing belief that businesses, not governments or nonprofit groups, should lead the effort to eradicate global poverty. This
is one example of not only understanding and accepting complexity, but demonstrating leadership and vision in addressing it (Bajaj, 2010).

Kraft has a complex and vast array of global charitable efforts and seeks to hear from “all” employees through “The Mix.” The company was also recognized as “One of the 100 Best Companies for Working Mothers.”

“Building a culture that harmonizes work and personal life isn’t a fad; it’s a necessity to retain and attract best talent,” said senior manager Marla Miller (“Inner Dialogue, 2009). The company states on its web site that: “We believe we can make a delicious difference, everywhere;” through “Listening to what consumers want and need and providing it through targeted, culture-specific nutritional, health, and exercise programs that are geared to different cultures” (Kraft Foods web site, 2010).

In the web site discourse above, their global charitable efforts and efforts to hear from “all” employees through “The Mix,” Kraft Foods demonstrates an acceptance of complexity on a global scale. The company’s recognition as “One of the 100 Best Companies for Working Mothers” underlines their ability to accept and indeed accommodate a complex array of employee needs.

**Emotional and cultural intelligences.** Two of the most dominant constructs that were presented in the readings were the possession of emotional and cultural intelligences. Because of the conversion of numerous cultural and environmental forces, Alon and Higgins (2005) argued that these two qualities provide a valuable framework for understanding cross-cultural leadership. Maak and Pless (2009) maintain that a significant part of the challenges that current leaders face emerge from the interaction with a multitude of stakeholders, locally, regionally and globally; both within and outside
of their organization. The construct of trust is also critical to emotional intelligences because it is tied to loyalty and the successful achievement of mutual or group goals (Kakabadse & Kakabadse, 2005).

Kraft demonstrated competency in this area through the restructured Kraft Philippines office, with its culturally-appropriate amenities supporting values of honesty, teamwork, and transparency (“Kraft Foods Philippines,” 2010) and the Foodii employee interactive website, designed to celebrate staff talents and passion for food (Boyle, 2010). The Kraft Responsibility Report ensures that compliance and integrity is a never-ending process and that employees learn that they are free safe to speak up on important issues when they receive their Code of Conduct training (Kraft Foods web site, 2010).

Conversely, an insensitive letter sent from Kraft Foods to a ward counselor in Bournville following the Cadbury acquisition resulted in a loss of trust. Kraft created an uproar when they misspelled the name of the town (the historic site of the Cadbury headquarters), prompting the counselor to comment:

It’s disappointing two days after they have taken over the company that they still get the spelling wrong...I wrote back, gently reminding (Jonathan Horrell) that the people of Bournville are still saddened and upset by the takeover and such mistakes should best be avoided at such a sensitive time (Lillington, 2010).

The townspeople feared that Kraft would treat Cadbury as it did Terry’s of York, which experienced significant layoffs after its Kraft acquisition. The U.K. job loss was noted in *Africa News*, warning workers at a Nigerian Cadbury plant (Lagos, 2010).
Kraft company discourse communicates a strong value for the ability to understand and appreciate different cultures and personalities, yet its manifestation of this ability is uneven. The new Kraft Philippines office, with its culturally-appropriate amenities, supports core values of honesty, teamwork, and transparency. Kraft’s Responsibility Report, which seeks to ‘sustain a legacy of trust,” is noteworthy. However, both the spelling blunder and subsequent loss of 600 British jobs despite company promises, (which displayed a lack of transparency and honesty) resulted in a loss of public and employee trust.

In summary, both the organizational discourse and the actions of Kraft Foods demonstrate an embodiment of cosmopolitanism and strengths in the five competency areas, particularly the ethical perspective, a tolerance of ambiguity, and an acceptance of complexity. Interestingly, in the research below, we find Kraft at the end of 2009, with CEO Irene Rosenfeld launching the Cadbury acquisition. The next section seeks to determine whether her statements and actions during this critical incident also demonstrate the absence or presence of the five core competencies.

**Irene Rosenfeld and the Cadbury acquisition.** Hames suggested that the global business arena is still in the early stages of growth and that the complexities in culture and challenge have transformed the world and the consequential demands on leadership skills. Parker’s theories (1999) regarding a lack of preparation for assuming new leadership roles is also pertinent. Jokinen (2005) argues that many Americans have subscribed to beliefs and habits of a bygone era, such as the value of profits over people and the negligence of our environment.
An ethical perspective. During the five months of negotiations for Cadbury, Kraft Foods stood by its pledge to not close the Cadbury Somerdale plant. In a January, 2010 interview, in which she described herself as a straight shooter, Rosenfeld expressed a clear commitment to increase jobs for Cadbury in the U.K., stating that Kraft will be a “net positive” for manufacturing jobs for Cadbury, and “I am still hopeful that we will be able to accomplish that” (Ahmed, 2010). In January of 2010 she announced: “We are committed to growing it (the business). The concerns about jobs and job losses, particularly in the manufacturing community, are greatly overstated” (Ahmed).

One week after sealing the takeover, Kraft performed a startling u-turn on their promise, at the cost of 400 jobs (Clark, 2010). Following meetings with Cadbury management, Rosenfeld said “it became clear that it was unrealistic to reverse the program.”

“Kraft is moving with indecent haste to cut jobs,” said Jennie Formby, UNITE (labor union) national officer for the food and drink sector. "Despite stating that the company would take 45 days to gain a clearer idea of management and staff structures for the combined business, Kraft has swung the ax before that deadline has been passed” (Lagos, 2010).

It should be noted that the plant closure was planned by Cadbury prior to the acquisition and apparently it was difficult for Kraft to undo or change what had already been put into motion. The ill will created by the takeover battle led to the introduction of the “Cadbury law” in the House of Commons, essentially a public interest test to guard British companies against hostile foreign takeovers (Wood, 2010). Rosenfeld turned down two invitations to meet with public officials about the plant closure, sending three
executives, including a PR officer, to meet with officials. Michael Osanloo, the director of strategy at Kraft who was in charge of integrating Cadbury, was also absent.

"Kraft deliberately misled workers at Somerdale," said Formby, in another news article. "If Irene doesn’t turn up on Tuesday, it shows complete disdain for the UK workforce, government and regulatory authorities." (Clark, 2010). An official report stated that Kraft was either incompetent in its approach to the Somerdale factory or that it used a “cynical ploy” to improve its public image during its takeover of Cadbury.

Rosenfeld also received a $9 million bonus for the successful completion of the Cadbury deal at a time when Kraft Foods had frozen the salaries of all its senior executives (Finch, 2010). This was on top of her $26.3 million compensation package in 2009, prompting the following comment by Rosenfeld, when questioned about the large amount of money: “My compensation is tied to the performance of the company and to the returns of our stockholders. I feel very good about that process and its transparency,” (Goudreau, 2010).

By failing to visit the U.K. and deciding to close a Cadbury plant, Rosenfeld did not demonstrate a strong ethical perspective through her actions regarding the Cadbury acquisition. While the plant closure had been planned and it was supposedly difficult for Kraft to undo or change what had already begun, there were five months during the acquisition process for Rosenfeld to launch an investigation regarding the necessity of a closure. Similarly, her public statements followed suit. She refrained from an apology or any remarks that referred to previous conflicting statements, particularly those made about protecting jobs of Cadbury employees (whom she had “welcomed to the family”). This presented an obstacle in terms of employee relations, public relations, and
promoting the trust that is necessary for a leader to thrive (Maak & Pless, 2006). While Kraft’s pledge to keep the plant open may have initially helped to win the confidence of Cadbury, it was later viewed as a cynical attempt to manipulate public opinion (Wood, 2010).

**A global mindset.** A key challenge for global leaders, Sackmann suggests (2006), involves interacting and leading across cultures. The leader may face a multitude of differing culture perspectives without knowing exactly when which kind of cultural perspective becomes salient. This requires sensitivity of the cultural context that is relevant for a given interaction and the appropriate skills in dealing with the individuals and situation responsibly.

As defined by Jeannet (as cited by Levy et al., 2007, p. 235), a global mindset is a state of mind able to understand a business, an industry sector, or a particular market on a global basis. Kefalas (as cited by Levy et al., 2007, p. 235) would define a global mindset as a mental model characterized by high levels of both conceptualization and contextualization. Because of the complexity of goals, personalities, and cultures within the transnational organization, Werhane maintains that a multiple perspective method (2007) is essential to global decision-making and leadership. The importance of transcending national borders and forming complex, cultural understandings is central to the role of the “transnational manager” (Levy et al., 2007). Jeannet related the global mindset to “the ability to see across multiple territories and focus on commonalities” rather than emphasizing the differences that exist among cultures and countries, (as cited by Levy et al., 2003, p. 240).
In a 2010 interview with Andrew Davidson in *The Sunday Times*, Rosenfeld described her surprise and dismay at the public coverage of negotiations for Cadbury, stating: “You would not see the American press having as significant an impact on investor sentiment as you do here. Nor would you find the pricing conversation in the media in any other market in the world.”

The multiple perspective theory related to the global mindset (Werhane, 2007) suggests that any problem or phenomenon must be handled from a variety of perspectives, each of which involves different world views. Following the acquisition, Rosenfeld’s chose to not visit the historic headquarters of Cadbury in Bournville for eight months (despite pleas from Cadbury and the British officials). She declined numerous invitations and chose to not attend a hearing regarding the Somerdale factory closure, sparking outcry from the public and politicians. Because Kraft Foods had promised during the Cadbury acquisition negotiations that they would keep the factory open, this represented a breach of ethics and should have resulted in a personal visit or statement of apology by the CEO. Rosenfeld sent Mark Firestone, Kraft executive vice-president for corporate and legal affairs, but officials were “unimpressed” with his explanation over the closure. Afterwards, media coverage veered towards the negative, citing Kraft Foods’ failure to keep a York factory open when it bought Terry in 1993 and Kraft’s failed promises to Swedish authorities and workers regarding the chocolate brand Marabou, which was acquired in the early 1990’s (Clark, 2010). It even created concerns among employees in Cadbury’s Nigerian facilities (Lagos, 2010).

Prior to the acquisition, Rosenfeld stated “We remain convinced of the strategic merits for both companies of combining Kraft and Cadbury” (Kraft bid for Cadbury,
In her first interview following the acquisition, Rosenfeld stated that “We acquired Cadbury because we believe it is a fabulous business and it is our intention to protect those assets.” When asked why she stayed so aloof during the acquisition negotiations, Rosenfeld said “I said what I wanted to say – no more.”

When Rosenfeld visited the historic Bournville factory after eight months of anticipation, she arrived with “presidential” levels of security and little discourse, resulting in confusion among eager employees, who thought there would be an “all staff” meeting only to discover that Rosenfeld met with a “pre-selected” group of employees (Wilson, 2010).

Estienne would support another element that is frequently associated with the global mindset, which is the willingness to learn (as cited by Levy et al., 2007, p. 239). Similarly, Gregersen et al. (1998) related the concept of “unbridled inquisitiveness” to leadership excellence. In her silence that accompanied the meeting with Carr and subsequent dealings with the press, Rosenfeld indicated a lack of interest and curiosity towards the British populace, which was depicted by her statement “I said what I wanted to say – no more,” (Nye & Pettifore, 2010). However, at the start of the negotiations, Rosenfeld expressed admiration for the manner in which Cadbury conducts its operations, and communicated that Kraft had much to learn from the historic UK confectioner (Frean, 2010).

While several of Rosenfeld’s statements may have indicated the possibility of a global mindset, her actions did not. Although she had professed admiration for Cadbury’s manufacturing process and stated that she had “great respect for Cadbury’s brands, heritage, and people” (Nye & Pettifor, 2010), her actions, as well as other
statements, indicated a lack of understanding of the priorities of the populace and deep emotions tied to the historic aspect of the brand. In her interview with Andrew Davidson (2010), Rosenfeld neglected to consider the British media culture and also that the nearly 200-year-old firm is considered a national treasure. While it may be standard protocol for a CEO to speak in “stockholder” language, i.e., referring to the overall value that a transaction will bring to investors, Rosenfeld’s strict adherence to this tenet displayed a lack of empathy and consideration during a hostile takeover and an absence of the ability to shape her comments to suit different audiences.

Sackman (2006) argues that the multicultural perspective and sensitivity or global mindset is part of the responsibility of leadership today. In Rosenfeld’s actions following the acquisition, she did not display the perspective that Sackman described, resulting in a loss of positive press and a decline in employee morale.

Interestingly, Rosenfeld’s lack of a global mindset came at a stiff price. Cadbury chairman Roger Carr said she probably could have bought the company for less if her team had read shareholder intentions better, and if she hadn’t been rattled by politicians’ involvement, as publicized in the media. Warren Buffett, Kraft’s biggest investor, also told the press he thought she had overpaid (Davidson, 2010).

*A tolerance for ambiguity and uncertainty.* The ability to manage uncertainty or tolerate ambiguity is a key competency of global leaders, as demonstrated in a study conducted by Gregerson et al. (1998). In the global arena, where uncertainty can come from not just one country but a dozen at a time, they argued that collecting data can take so long that global leaders often need to move ahead before waiting for the entire picture to “come into focus.” Similarly, the ability to demonstrate adaptability and innovation is
one of the four top characteristics of an excellent global leader (Petrick, et al., 1999) and is directly linked with sustainable competitive advantage. In her presentation of the chief challenges in international training and management development, Shen (2004), referred to the notion of cognizant flexibility. Citing Tung (p. 658), she argued that the complex and ever-changing global environment requires a leader who demonstrates flexibility.

In response to Buffet’s sharp disapproval of the acquisition, Rosenfeld released a prepared statement that said:

Our shareholders, including Warren Buffet, have said they’d like to see less stock in the offer. Cadbury shareholders have also expressed interest in seeing less stock, and more cash, in the offer. That’s why we announced an additional cash component (Tuesday). Our announcement was well received by the market. (Lublin & Cordeiro, 2010).

In an interview with *Forbes Woman* (Goodreau, 2010), Rosenfeld referred to her particular leadership beliefs, in light of the Cadbury acquisition, stating: “The most important role of a leader is to set a clear direction, be transparent about how to get there, and to stay the course. In terms of the Cadbury acquisition, we understood the value of the combination of our two companies. We stayed true to that mission in the course of the process.”

Rosenfeld publicly acknowledged the importance of the Bournville base on February 7, 2010 (Davidson), stating that it is the heart and soul of the company, and “I look forward to visiting and seeing what’s under way.” However, it was not until eight
months later, in October of 2010 that she finally made an appearance (Wilson, 2010). Upon arrival, Ms. Rosenfeld’s whereabouts at the plant was a more closely guarded secret than “the recipe for Willy Wonka’s chocolate bars,” (Wilson, 2010). According to different employees, who were instructed not to speak to the press, she may have already returned to the U.S., she was holding an all-staff meeting at 3:30 p.m., and she may not have had a meeting at all. A Cadbury official claimed that her visit was about meeting employees, denying claims that there had been restrictions on which staff could come to the meeting. Indeed, this was inaccurate also. Said one worker: “There is a meeting but it’s for management. It’s a shame because I would have liked to see Irene in the flesh, see what she’s like” (Wilson, 2010).

Rosenfeld displayed some transparency and willingness to tolerate the ambiguity of global affairs during the Cadbury acquisition when she responded to Buffet’s sharp disapproval of the acquisition with a public statement indicating her willingness to compromise. In her statements about “staying true” to the course (of acquiring Cadbury), and maintaining transparency, Rosenfeld demonstrated the confidence and vision that accompanies flexibility.

Conversely, while Rosenfeld considers herself a “transparent” leader and stressed the importance of shared values during a public radio interview (“That was then,” 2010), she turned down invitations to meet with union representatives, members of the national press and excluded most of the Bournville employees when finally visiting the site.

Rhinesmith believed that the ability to be comfortable with surprises and ambiguity is a key element in the global leaders’ competency portfolio (as cited by Levy et al., 2007, p. 243). He stressed the importance of the ability to balance competing
realities and demands and to appreciate cultural diversity: All of this is part of what he coined the multidimensional perspective to the global mindset. Looking at these theories and others related to the tolerance for ambiguity concept, Rosenfeld’s actions toward the Cadbury employees after the acquisition demonstrated a lack of this competency. Her unwillingness to alter her schedule or demonstrate flexibility constituted an inability to go with the global flow or change course due to multi-cultural sensitivities. While she had spoken about “warmly welcoming” employees into the Cadbury family and that she has great respect for its people (Nye & Pettifor, 2010; Boyle, 2010; Wood, 2010); her actions directly contradicted those statements.

An acceptance of complexity. Excellent global leaders are also able to understand complex issues from different perspectives and act out a cognitively complex strategy by playing multiple roles in a highly integrated and complementary way. Scholars and researchers of leadership referred again and again to a mindset that looks at a far broader scope that the traditional corporate American leader had typically done. In his 2007 book, *Five Literacies of Global Leadership*, Hames presented the pitfalls of conventional tried-and-true thinking. According to Hames, the expectations, practices, and habits that created an infrastructure for leadership can potentially set the stage for organizational failure.

Hames maintains that one of the most difficult challenges that leaders face is escaping the legacy of prejudice, arrogance, and intolerance. “Authentic leaders must avoid the structure-function traps of convention...that keep them firmly rooted in past-present loops and therefore in a set of erroneous mind traps (Hames, 2007). He argued that the world of contemporary leadership requires using multiple viewpoints for
informed decision making, rather than relying on narrowly biased views. It would also require reviewing the global issues and dilemmas in order to perceive them in all their astonishing richness, variety, and complexity. This position truly frames the construct that this thesis refers to as the “acceptance of complexity.”

In an interview with Andrew Davidson (2010) about the acquisition negotiations, Rosenfeld stated “I said what I wanted to say – no more.” In discussing the interference of the British media during the negotiations, Rosenfeld commented: “You would not see the American press having as significant an impact on investor sentiment as you do here. Nor would you find the pricing conversation in the media in any other market in the world.” (Davidson, 2010).

During interviews related to the acquisition, Rosenfeld did express appreciation for Cadbury’s process of quickly bringing products to market, stating: “it’s a structural idea. They make sure their category leaders are surrounded by the necessary R&D, manufacturing, supply chain and commercialization resources” (Frean, 2010).

Rosenfeld’s public statements after the acquisition were primarily finance-related. In an interview with The New York Times she stated that the acquisition: “… transforms the portfolio, accelerates long-term growth, and delivers highly attractive returns” (de la Merced & Nicholson, 2010).

In several instances, Rosenfeld’s words and actions presented an appearance of arrogance and intolerance of the complexity of the Cadbury acquisition, and the subsequent loss of a historic and beloved brand. Rosenfeld’s public statements were primarily finance-related; indicating a lack of understanding of the complexity of the situation. However, in one interview she did express an appreciation for and
understanding of Cadbury’s process of quickly bringing products to market. Overall, her statements regarding the Cadbury acquisition revealed an absence of the ability to truly accept complexity.

**Emotional and cultural intelligences.** Emotional intelligence, according to Boyatzis, Goleman and Rhee (as cited by Jokinen, 2005, p. 203), is observed when a person “demonstrates the competencies that constitute self-awareness, self-management, social awareness, and social skills at appropriate times…in sufficient frequency to be effective in any situation.”

Two weeks prior to announcing the closure of the Somerdale plant, Rosenfeld stated that “the concerns about jobs and job losses, particularly in the manufacturing community, are greatly overstated,” (Ahmed, 2010). Upon announcing the plant closure and the subsequent loss of 400 jobs, Rosenfeld referred to Cadbury’s original plants to close the plant, stating: “it became clear that it was unrealistic to reverse the program.” An apology was ultimately made at the “Cadbury” hearings by Marc Firestone from Kraft who said Kraft was “terribly sorry,” and “terribly disappointed” about the decision (Finch, 2010).

However, speaking on the subject of jobs, Rosenfeld did acknowledge the uncertainty all Kraft employees must be feeling following the acquisition, during a public “Town Hall” meeting in Illinois, which was webcast to all employees, including those with Cadbury (Hughlett, 2010).

Rosenfeld spoke about the importance of “shared values” on a global scale (“Kraft Foods CEO,” 2010) and professed in a lengthy interview with *The Sunday Times* that “I’ve always been fascinated with how people think. I can spend hours at airports
looking at people, thinking about who they are and what motivates them — it’s been a fascination of mine since high school” (Davidson, 2010). Rosenfeld avoided two meetings with public officials regarding the acquisition and then waited eight months to visit the historic “heart and soul” (her words) of Cadbury. When she did arrive, the meeting was confidential, limited to a select number of employees and resulted in confusion among those who were not included in the announcements or the meeting (Wood, 2010; Wilson, 2010).

Despite strong objections among the British populace about the purchase of their historic “jewel in the crown,” Rosenfeld’s only public statement regarding the acquisition was finance-related: “It transforms the portfolio, accelerates long-term growth, and delivers highly attractive returns,” Rosenfeld said in an interview with *The New York Times* (de la Merced & Nicholson, 2010).

It is important to note that, for their research on global leadership competencies, Kets de Vries and Florent-Treacy (2005) found that a core competency that was universally agreed upon in interviews with 75 global leaders, was the ability to connect with a deep and universal layer of human functioning that causes people to make a greater-than-usual effort. These leaders, through their emotional or cultural intelligence capacities, have established a corporate culture that enriches the complexity of many national cultures.

Rosenfeld’s disinterest in the corporate and national culture of Great Britain does indicate a lack of emotional and cultural intelligence. The Somerdale plant closure is indicative of the absence of emotional intelligence as well. Her statements and actions regarding the closure displayed a general lack of sensitivity towards the British populace.
The sheer reversal on a pledge that was received in good faith, and had an impact on the negotiations, showed a lack of empathy and consideration, two hallmarks of the emotional intelligence spectrum.

Rosenfeld never apologized for the reversal of her pledge or the hardship Cadbury employees were likely to endure as a result. Additionally, her actions regarding the Bournville visit did not indicate a belief in shared values or a curiosity with people, two of the values within the emotional intelligences construct that she had also publicly ascribed to.

Jokinen (2005) argues that many Americans have subscribed to beliefs and habits of a bygone era, such as the value of profits over people and the negligence of our environment. Rosenfeld’s statements about profit and financial health are a resounding theme throughout the empirical data related to the Cadbury acquisition. These indicate a lack of understanding of the emotional aspects of the situation.

Krafts’ acquisition of Cadbury was a critical and controversial event, primarily because of internal stockholder dissent (Warren E. Buffet), the resistance of the British people and the abrupt turn-around on pledges that were made regarding jobs. While a few of Rosenfeld’s statements and actions did indicate a propensity towards the global mindset and a tolerance for ambiguity, this leader, who clearly operates within the cosmopolitan construct, did not demonstrate a solid use of the competencies that have been identified as key to effective global leadership. Since the acquisition could be deemed successful and both the second and third quarter profit and loss statements indicated that Kraft met or exceeded its financial goals, it is important to address the impact of the absence of the five core competencies at the leadership level, their
relationship to internal/external communications, and what the implications are on
business and interpersonal communications.
Discussion

For this thesis, I set out to examine three interrelated issues regarding global leadership. I first sought to determine the core competencies that appear to be most vital to global leadership within the cosmopolitan construct. The patterns emerging in the literature indicated that five areas of competency appear to be most valuable to the global leadership construct: An ethical perspective; a global mindset; a tolerance for ambiguity, an acceptance of complexity, and emotional and cultural intelligences.

After establishing the core competencies, I set out to find how they are exhibited by Kraft Foods in its public discourse and by Irene Rosenfeld during a critical event, notably the Cadbury acquisition.

The literature suggests that an ethical perspective is linked to effective global leadership. In Morrison’s paper on the integrity of global leadership, he aligns the importance of this position with upholding and encouraging the growth of actions that support the well-being of others, far beyond the corporate realm: “Global leaders are those who successfully impact the actions and beliefs of others on a worldwide basis.” (2001, p. 65). As a company, Kraft produced strong evidence that it approaches employee relations and manufacturing from an ethical perspective. It has altered its manufacturing practices to reflect environmental concerns regarding energy, water and package waste. While Kraft Foods undermined efforts by the Fairtrade Alliance to create its own “environmentally sustainable” coffee certification, it has also made efforts in the farming of cocoa and coffee to protect children and the environment. The fact that Kraft has been recognized for seven years as “One of the 100 Best Companies for Working Mothers” underlines its ability to be flexible and tolerant when dealing with employees.
While the actions and discourse of Kraft Foods did demonstrate a propensity for an ethical perspective, its leader indicated that she does not approach business consistently with an ethical perspective. The layoffs in the United Kingdom regardless of earlier promises plus the $9 million bonus after the acquisition (despite a salary freeze at Kraft) indicate an absence of the ethical perspective.

Because of the complexity of goals, personalities, and cultures within the transnational organization, Werhane maintains that a multiple perspective method (2007) is essential to global decision-making and leadership. This viewpoint summarizes the criteria for a global mindset. Through their company discourse and charitable endeavors, Kraft Foods demonstrated strengths in this competency area. Charitable events are tailored worldwide to meet cultural preferences; the remodeled Philippines office reflected local values and employee preferences, and a worldwide Intranet seeking conversation and discussion across cultures is admirable.

After publicly announcing “We have great respect for Cadbury’s brands, heritage and people” (Nye & Pettifor. 2010), Rosenfeld’s statements and actions related to the Cadbury acquisition displayed a lack of the global mindset. Her comments regarding the British media did not factor in their culture and other statements were purely financial-related and did not indicate any awareness of the multicultural perspective that is at the heart of this competency. Additionally, she declined numerous invitations and chose to not attend a hearing regarding the Somerdale factory closure, sparking outcry from the public and politicians.

Rhinesmith believed that the ability to be comfortable with surprises and ambiguity is a key element in the global leaders’ competency portfolio (as cited by Levy
et al., 2007, p. 243). He argued that leaders with this type of mindset will accept life as a balance of contradictory forces and seek to be open to themselves and others. This ability is at the heart of the ability for a leader to tolerate ambiguity.

Kraft demonstrated a tolerance for ambiguity through the establishment of two-way communications channels with employees worldwide. It tailored its charitable efforts to suit the cultural predilections and needs of its global communities and made an admirable effort to provide an attractive work-life climate for employees in the Philippines, among other efforts.

In dealing with the protests of Warren Buffet, Rosenfeld's statements and actions during the acquisition did display a certain flexibility and tolerance for ambiguity. By stating her intention to pursue her goals for the acquisition while also maintaining transparency, Rosenfeld showed the confidence and vision that accompanies flexibility. However, her refusal to alter her schedule or demonstrate flexibility regarding a visit or a public meeting constituted an inability to go with the global flow or tolerate the ambiguity that results from multi-cultural sensitivities.

Jokinen maintains that the acceptance of complexity and its contradictions is a desired mental characteristic or core competency of global leaders, and defines the advantages of a positive attitude towards the ambiguous and unpredictable. It is essential, this author believes, in that it legitimizes the need for learning and thus creates motivation for personal development.

Through their discourse and actions, Kraft Foods did demonstrate an acceptance of complexity. This can be seen in the establishment of the two-way communications
channels through the company intranet, its culturally-appropriate charitable activities and efforts to provide an attractive work-life climate for employees in the Philippines.

In several instances, Rosenfeld’s words and actions presented an appearance of arrogance and intolerance of the complexity of the Cadbury acquisition and the loss of the beloved British brand. Additionally, most of Rosenfeld’s public statements after the acquisition were finance-related; indicating a lack of understanding of, or appreciation for, the complexity of the situation.

Manning links the strengths of the emotionally competent individual to leadership success (2003), stressing that excellent relationship skills are the result of a positive mindset about the self and others. An empirical study conducted by Caligiuri and DiSanto (2001) identified eight dimensions that define “global competence” of which three were related to the EI/CI construct: the ability to be flexible, open, and demonstrate low ethnocentrism.

In reviewing the demonstration of emotional and cultural intelligences, it appears that Kraft has demonstrated strengths in this area of competency through public documents such as The Responsibility Report, which encourages, through training and official statements, employees to speak out in the event of misconduct. Their recognition as “One of the 100 Best Companies for Working Mothers” also indicates an ability to demonstrate flexibility.

While the letter sent from Kraft Foods to a ward counselor in Bournville following the Cadbury acquisition could be termed insensitive, it resulted in an apology and was a minor incident that could be categorized as a misspelling.
After publicly announcing her “great respect” for Cadbury and its people (Nye & Pettifor. 2010), Rosenfeld’s conduct and statements related to the Cadbury acquisition displayed a lack of emotional and cultural intelligences. She criticized the British media for their outspoken participation in the acquisition, she glibly stated that Kraft hoped to be a “net importer” of jobs to the U.K. within weeks of approving a plant closure, and she ignored cultural sensitivities by rejecting invitations from British officials, waiting eight months to visit the company’s most historic site and basing all public statements on the financial value of Cadbury, as opposed to publicly acknowledging its identity as an iconic British brand with a treasured national heritage. Truly, Rosenfeld’s actions in this regard differed enormously from corporate efforts to provide a flow of two-way communications that acknowledges the importance of all employees. Additionally, the reversal on a pledge to maintain jobs showed a lack of empathy and consideration, two hallmarks of the emotional intelligence spectrum.

The case study analysis that examined the organizational embodiment of these competencies indicated that the discourse of Kraft Foods embodies all five of the core competencies through its charitable work, its communications with employees, its public statements regarding respect for the environment and cultural traditions and its efforts to encourage communications and discourse with employees at all levels.

While Irene Rosenfeld demonstrated an understanding and awareness of the five core competencies, especially in interviews prior to the Cadbury acquisition, her actions and statements during that event did not reflect a thorough appreciation or actualization of those five competencies. From a cosmopolitan perspective, Kraft seemed fairly rooted in an understanding of cultural differences and mutual appreciation, while Rosenfeld
appeared to operate in a vacuum, skirting issues and keeping her comments rigorously limited to financial data.

The findings of this case study suggest that there is an inconsistency between what the discourse proposes and the enactment of an organizations' leader during a critical event. This supports a need for additional research on several levels. The core impact of the global competencies, both individually and collectively, on organizational success would offer additional insight to the findings in this case study. Jokinen (2005) argued that research in this area has been lacking and no firm consensus exists regarding what competencies are truly essential to global leadership excellence. What we perceive to be areas of significance may be inconsequential at Irene Rosenfeld’s level of leadership, as the company has reported profits due to the Cadbury acquisition. Certainly, the research in this thesis indicates that a lack of trust, employee goodwill, and public support can result when certain competencies are lacking or not demonstrated.

In terms of communications, this case study also invites further exploration on the impact, both individually and collectively, of the five competency areas on public and employee relations. Clearly, the image of Kraft suffered in the United Kingdom, and the former Cadbury CEO stated that the company probably could have been acquired for less if Rosenfeld had not “overreacted” to the media. Collins and Porras (cited by Werhane, p. 429) showed that visionary companies make more money in the long run than purely profit-driven companies. Here, we have an instance where a lack of a global mindset contributed to an initial financial loss, but what will be the lasting implications? Will Kraft suffer internally or externally because of Rosenfeld’s inability to demonstrate proficiency in the competency areas?
This case study also reveals a need to arrive at a better understanding of the intricate interdependencies between an organization and its leader in a global context. I believe that Irene Rosenfeld had an influence on the creation of the organizational discourse, particularly the new intranet that was launched in 2009 to create a more robust flow of communications between employees in the organization. As early as 2007, when she joined the company, Rosenfeld held “Town Meetings” with employees, and that action continued through 2010, when a meeting regarding the Cadbury acquisition was webcast to employees in the U.K.

It would be valuable to know if the “politically correct” company discourse that a CEO may want to have on the website is truly considered icing on the cake, and the ways in which business is conducted with external factions has little relevancy (i.e. Kraft’s creation of their own coffee certification program). The prospect of internal versus external communications becomes important in that regard: Are certain constituencies more likely to receive the empathy, tolerance for complexity, open minded treatment, and other types of behavior that would demonstrate presence of the five core competencies?

Additional research, either qualitative or quantitative, would shed light on the presence and practice of the five core competencies in daily business operations, both internally and externally. This could potentially have an impact on the understanding of how communications transpire between parties, and what the implications are, when key areas such as emotional intelligence, are evident in one area and lacking in another. This could also provide a good starting point for global leadership training: are there times, in the tenure of a global CEO, when the core competency areas must be abandoned, simply because business demands a different approach? Knowing that Irene Rosenfeld prides
herself as a "people" person who is also very competitive, this is an area worth pursuing on a larger scale, perhaps on a quantitative basis.

Finally, because of the import of cosmopolitanism and the likelihood that it is becoming increasingly relevant in daily business operations and global leadership, this case study asks us to consider how the cosmopolitan construct relates to the competencies described in this thesis. Can the construct exist in a robust form without the presence of an ethical perspective, a global mindset, a tolerance for ambiguity, an acceptance of complexity or emotional and cultural intelligences? Initially, it was expected that Rosenfeld would have demonstrated far more tolerance for ambiguity and/or acceptance of complexity, given the very critical and public nature of the Cadbury Acquisition. This was not the case, and an ethical perspective towards the British populace was strongly absent. However, she remains a leader who operates, day in and day out, within a cosmopolitan framework. Hence, if research were to look at the communications that stem from this area it could provide a greater perspective on leadership skills in the 21st century, and what might be considered essential or superfluous, when business requires a swift and unambiguous resolution.
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Appendix A

Data pertaining to the organizational discourse of Kraft Foods

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<td>Cadbury’s owner Kraft to take Milka to market</td>
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<td>$100K in donated Kraft food to arrive Monday</td>
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<td>Kraft profits rise thanks to Cadbury</td>
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<td>A global giant at last has right recipe for China</td>
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<td>Nigeria: What future for Cadbury Nigeria PLC</td>
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<td>Kraft Foods Receives Asian CSR Award for Funding Save the children’s Hunger-Relief Initiative</td>
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## Appendix B

Data pertaining to Irene Rosenfeld, CEO of Kraft Foods

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<td>Boyle, C.</td>
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<td>MP’s open fire on Kraft over plans to shut Cadbury factory</td>
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<td>Greg Farrell</td>
<td>9-16-2010</td>
<td>Chief cheers Kraft-Cadbury blend</td>
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<td>Cadbury takeover earns Kraft’s Irene Rosenfeld a 40% rise</td>
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<td>Rosenfeld says Kraft will produce more of its global brands in Britain.</td>
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