

Leadership Amidst Culture Crisis: How to Manage the Impacts of Globalisation

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Abstract

Leadership plays the most significant role in improving organizational performance. In the present time, most of the business organizations have adopted globalization to increase, provide and enhance business in the international marketplace. In the business performance, globalization has indicated diverse cultural practices and adopted modern strategies to develop organizational efficiency in the marketplace. In business organization, leaders have suggested various factors such as advanced technology, commodity, investment, information and services that provided an advantage for globalization. In the financial sector, leaders have provided strategies to implement better network connections to establish better communication with international customers that help to provide advantages to the business organization to take a part of globalization. In this regard, the research study conducted a secondary qualitative analysis to understand the impact of leadership to reduce the cultural crisis to manage the impact of globalization in the business organization. In business performance, globalization has created constraints such as poor quality products and lack of cultural knowledge, and employee skills. In this regard, leadership has helped to reduce communication gap with customers through technology. On the other hand, cross-cultural practices in the business organization have helped to reduce cultural crises in the business organization.

Keywords

cross-border businesses, Cross-culture practices, Landscape-scale, phenomenology, trade commodities,

INTRODUCTION

Background of the study

Leadership is one of the important aspects of an organisation where an organisational leader can either enhance or decline sales of products and services in the global market. The enhancement process of globalization demands is too difficult for cultures to go further away in order to barter their own items for desirable things from other cultures as they developed an early example of globalization is Silk Road, a network of ancient trade routes that connected Europe with North Africa and East Africa. Moreover, Central Asia, South Asia, and Far East Europe also exchanged glass and manufactured products in terms of Chinese silk and spices with over **1,500 years**, creating a global economy in which both Europe and Asia grew used for commodities from beyond. This paper will represent various viewpoints and drawbacks of globalization. **The aim of this article is to conduct a proper understanding of globalization's impacts and positive and negative impacts.**

Most of the time, it combines economic integration and political engagement due to the fact that it is linked to cultural and social elements. As per the suggestions of [8], several elements of globalization have been identified by researchers, with a particular focus on political, social, and economic models Coordination and collaboration between multiple administrations is the modern political strategy.

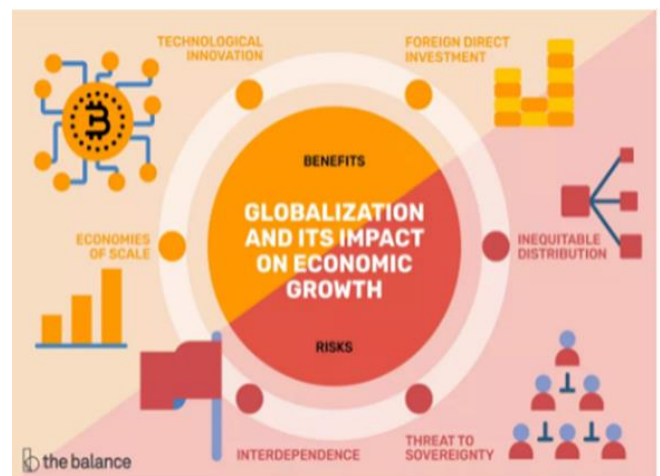


Figure 1: Impact of globalisation

(Source: Influenced by - Jaafar *et al.*, 2020)

As mentioned by [9], it's a combination of a variety of factors, including technology, commodities and services, investments, information, and over the course of many centuries, nations have achieved global integration by establishing economic, political, and social people used to migrate to faraway regions to dwell, trade commodities, and produce food and raw resources. As per the words of [3], World War I and II, post-war protectionism, these all had an impact on global commerce. Most shocking is that no country is self-sufficient. In certain industrialized nations, there is a shortage of the raw materials needed to run their manufacturing.

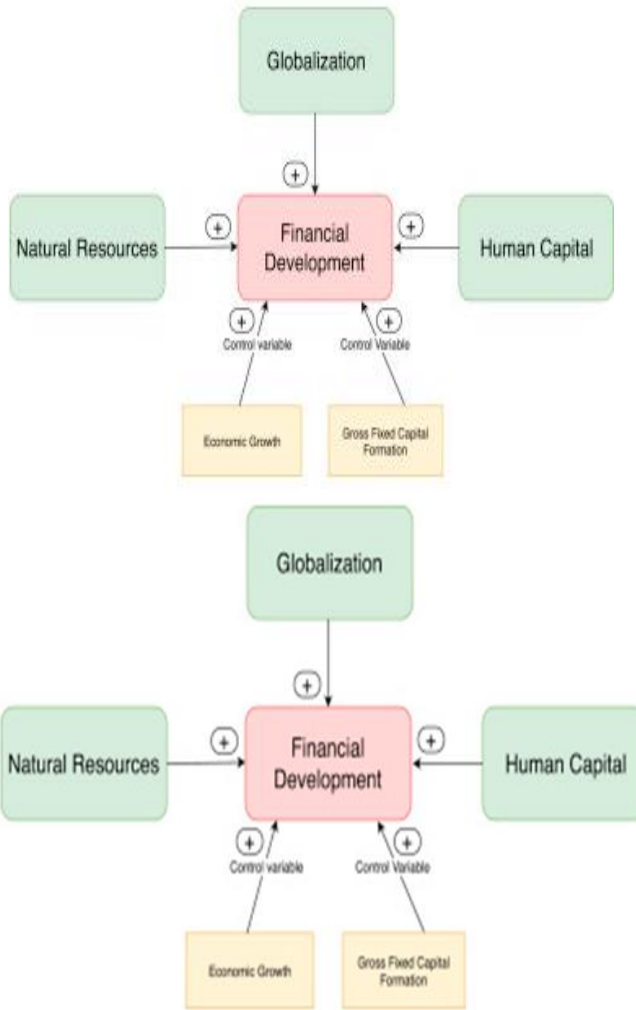


Figure 2: Effect of globalisation on financial sectors
(Source: Inspired by - Ozturk., 2020)

Similarly, the management group of *Tata* invested a total of \$18 billion in 37 cross-border businesses from the mid-1990s to 2003 but Ratan Tata’s leadership had faced huge impacts of globalization by the end of 2004 [14]. Globalization refers to the interdependence of international cultures, people, and economies. As per these situations, it simply can be stated that there are many different kinds of positive and negative impacts included in globalization as these impacts also can support leadership cultural crises in a proper manner. As a result of their global presence, they are able to impact World integration in depth in this research, demonstrating both its advantages and disadvantages on a global scale. A global community has emerged in which anybody with an Internet connection may buy items and services.

LITERATURE REVIEW

Importance of Cross-Cultural Management

In every country, there is a distinct culture and a person's culture refers to the way they do things, such as their innovative ideas and customer engagement. However, it's not simple to integrate various cultures into a global one. As per

the words of [4], women are not allowed to lead or operate in business in some legal systems, for example, because gender equality is not recognized. A lot of nations didn't allow women to get an education before globalization, and even if they did, they were expected to work in fields such as teaching or nursing. As a result of this, several states have absorbed aspects of American culture as it is one of the most common impacts of Cross-Cultural Management. For example, the United States is known for its ability to keep track of time as well as its, In addition, they dislike delaying by engaging in absurd activities. A large part of the population in both rich and poor nations is accustomed to partaking in activities that are beneficial to them because of globalization; both industrialised and developing nations' cultures are eroding.

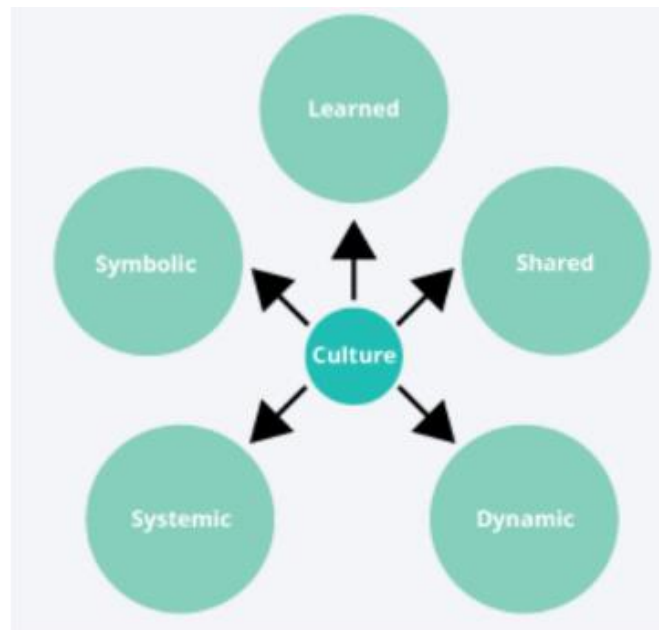


Figure 3: Impacts of cross-cultural management
(Source: Influenced by – Cramer, 2018)

On the other hand, competitiveness is a good thing in the corporate world. Without it, firms wouldn't be able to pioneer some of the most important. As mentioned by [2], there are several reasons why goods and services are becoming more high-quality while yet becoming more affordable. In certain industrialized nations, manufacturers were forced to find cheaper raw materials and labor in order to lower costs. [13] stated that most people in the developed world can afford to acquire items from both home and international companies. On the other hand, it can be stated that there are much different globalization and cross-cultural demands that must be rectified by a company. As a result, it simply enhances the company's market reputation and cash revenue in a massive manner. For example, *Ratan Tata's leadership team* has conducted many strong and sustainable innovative plans that enhance this company's cash flow with a total of \$103-billion [4].

Impacts of globalization

The difference between affluent and poor individuals has shrunk significantly and as a result, there has been a vast gulf between these groups for many centuries, and it seems to be becoming wider every year. [6] opined that as a result of the globalization of the economy, impoverished people now have formerly, those who worked for the government or for large corporations were paid much, but now even highly educated employees make a pittance. It is as a result of this that many businesses recruit skilled individuals, but pays them less than In order to preserve a company's image, high-paid employees must spend a lot of money. In recent years, the number of low-income persons working as temporary workers has steadily declined as more and more young people make enough money to support themselves and their families. Over time, it has been more common for the people of industrialized nations to invest money in lucrative enterprises.

As a result, it simply supports their needs as they want to be able to earn a living from home since investing assures them that they will make excellent earnings. [13] argued that as a result of the normal defaults of economies in third-world nations, such a choice is only open to those in wealthy countries. A lot of people are hesitant to invest their money because they don't know if the value of their currency will be equal to those who do not have it by creating businesses and industries in foreign nations.

METHODOLOGY

In order to conduct any kind of research article, the study must be highlighted with a proper research method and techniques as it supports the paper in a proper manner. Similarly, this paper is conducted with the help of *secondary qualitative* analysis as it supports the researcher to represent many different types of positive and negative impacts of globalization. As per the words of [15], a *research design* is one of the most important parts of methodology as it supports the researcher to represent many different types of research questions such as what is the current situation of this project. There are a total of two types of research design presented such as *exploratory and explanatory*. This paper's topic analysis will be conducted by the adoption of exploratory research design as it supports the researcher to ensure many different types of research problems in a proper manner.

On the other hand, proper and perfect adoption of *research philosophy* is also important for a research paper. As per the words of [15], a total of research philosophy is presented such as *positivism and phenomenology*. In this case, the adoption of *positivism* will be a perfect choice for this paper as it supports the researcher to conduct many strong assumptions about the topic of this paper.

DATA ANALYSIS AND FINDINGS

Positive and negative impacts of Leadership amidst culture crisis

Positive impacts

As per the positive impacts of Leadership amidst culture, it can be stated that the COVID-19 epidemic has caused exceptional expectations on several corporate leaders COVID-19's human toll has employees and other stakeholders on edge. The sheer size and unpredictability make it difficult for CEOs to respond effectively. "*Landscape-scale*" crises are characterized by a sudden occurrence or chain of events of huge magnitude and overwhelming pace, which results in a high degree of ambiguity, leading to confusion [1]. On the other hand, a sense of loss of control and significant emotional disturbances includes many different types of objectives such as financial measurements and many more other things. As per these situations, it can be stated that recognition of a crisis is a tough initial step for leaders, especially when it comes to crises that don't come out of anywhere but arise from familiar conditions that hide their true character.

Negative impacts

Among the most recent examples of such crises are the SARS outbreak in 2002-2003 and the current coronavirus spread. On the other hand, the normality bias can cause leaders to underestimate both the probability of a catastrophe and its potential effect. The moment leaders realize that they are in a crisis situation, they may begin to mount in the meantime, and they are unable to respond as they would in a normal emergency, by implementing predetermined procedures [11]. Responding effectively in the face of uncertainty and unfamiliarity is primarily improvised in times of crisis. It's difficult for them to cover a wide range of behaviors, not only transitory ones but ones that can be helpful to keep a crisis that requires leaders to adopt habits and attitudes.

The assumption that a top-down reaction will provide stability must be abandoned during a crisis. As mentioned by [7], a company's command-and-control structure may be relied upon to handle operations successfully in regular situations, as long as it follows a planned response if faced with unpredictability in a crisis. On the other hand, leaders are faced with challenges that are unknown and only a tiny number of executives at the top of an organization's hierarchy are capable of gathering information and making choices rapidly enough.

Effective viewpoints of globalization impacts

Globalization is an established part of the modern world, so most of us do not realize the benefits it brings to people's everyday lives such as easy access to a variety of different cuisines or new technologies developed by countries half a world away. Even though globalization makes our lives better, it does bring some challenges as companies start to grow and expand across borders. Cultural differences around

the world are undeniable. As per the suggestions of [12], these differences create hurdles for businesses entering foreign markets and necessitate changes to their daily business operations, whether it's employing workers in a new region or communicating the value of their product to a new audience. In order for a firm to go worldwide and reap the benefits of globalization, it is necessary to have a compliant abroad presence if a company chooses the traditional path of forming a legal organization.

On the other hand, it will require a significant amount of upfront money, often up to **\$20,000**, and on top of all that, multinational firms must stay abreast of the constantly changing labor regulations in new. Moreover, if a company wants to grow into a new country, it has to know how to make mistakes, which might lead to obstacles and significant financial problems. As mentioned by [10], the US and European political climates indicate that there are divergent views on globalization's consequences. Immigrants are finding it more difficult to find work in new places as several countries tighten their immigration regulations. Anger over the idea that immigrants fill domestic positions or firms transferring their operations overseas to save money on labor expenses is the primary cause of this surge in nationalism.

CONCLUSION

In order to resurrect a conclusion, it can be stated that the trade imbalance with India has lost 3.4 million jobs since 2001, according to the Economic Policy Institute. These are social or economic and political issues such as avoiding conflict, developing the economy, limiting terrorism, combating poverty and illness, or maintaining a clean environment. As a result of the convergence of all socio-economical-political concerns, it may expect the role of technology to play a key role in resolving these difficulties as well as creating chances for the global community to achieve new heights of happiness.

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