

# research snapshot

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## Global Leadership Effectiveness: A European Perspective

### What is this research about?

The expansion of companies in international markets requires leaders with certain key personality traits and internationally-oriented competencies. Companies often select international managers based on technical skills, not personality traits, dynamic cross-cultural competencies or cross-cultural experiences. International firms are looking at ways to ensure that their managers demonstrate effective global leadership. From this perspective it is important to understand if specific personality traits, dynamic cross-cultural competencies and cross-cultural experiences have an effect on global leadership effectiveness and if there are any differences between European and U.S. managers.

### What did the researchers do?

A study was done on European-based English-speaking managers, both male and female, considered to be “global leaders” by their employers. The study was meant to compare the findings with the results of an earlier study that focused on US-based global managers. The study included a 94-question survey answered by 116 participants, aged between 29 and 62, with 89% having European Union nationality, and 57% working in a different country than the one of their nationality; the survey assessed personality traits, cross-cultural experiences, dynamic cross-cultural competencies, leadership effectiveness, and demographics. One limitation of the study was the self-reporting bias,

### What you need to know:

International companies often employ managers in cross-cultural contexts. A cross-cultural study was done to better understand how to increase the global leadership effectiveness of European international managers, when considering personality traits, dynamic cross-cultural competencies, and cross-cultural experiences. The study found that European managers considered for international assignments should be carefully selected based on personality traits (attention should be paid to extraversion, openness to experience, agreeableness and neuroticism) and trained to develop their dynamic cross-cultural competencies, in particular tolerance of ambiguity and cultural flexibility.

while another was the language barrier as not all respondents had English as their first language.

### Terminology

Dynamic cross-cultural competencies are those skills that can be developed through training. This study looked at cultural flexibility, tolerance of ambiguity, and ethnocentrism.

This study used the Big Five personality traits model, with the 5 factors being: extraversion/introversion, neuroticism, agreeableness, conscientiousness, and openness to experience.

Cross-cultural experiences are those experiences that allow individuals to enter in contact with people from other cultures. They can be work related (like business trips or expatriation) or non-work related (like studying, volunteering or vacationing).

### What did the researchers find?

Some dynamic cross-cultural competencies, such as cultural flexibility and tolerance of ambiguity, can predict positive effects on global leadership effectiveness, while ethnocentrism, or belief in one's own cultural superiority, had no significant effect. Cross-cultural experiences, whether personal or organization-related, had no significant effect on dynamic cross-cultural competencies or global leadership effectiveness, in the case of European managers. Neuroticism had a significant negative indirect effect on global leadership effectiveness through tolerance of ambiguity. Extraversion and agreeableness had a significant positive indirect effect on global leadership effectiveness through tolerance of ambiguity. Openness to experience had a significant positive indirect effect on global leadership effectiveness through cultural flexibility.

The study found that tolerance of ambiguity and cultural flexibility have a mediating effect between some personality traits (extraversion, openness to experience, neuroticism, and agreeableness) and global leadership effectiveness. In contrast to the US-based managers, European managers were not significantly more effective when they had prior international experiences. In the case of European managers, as opposed to the US managers, agreeableness and neuroticism had an effect on global leadership effectiveness, through tolerance of ambiguity.

### How can you use this research?

Companies are recommended to select for international assignments European managers that are more extraverted, agreeable, emotionally stable (lower neuroticism), and open to new experiences.

When selecting American based managers for international assignments companies should focus on selecting the ones that are more extraverted and open to new experiences, while increasing cross-cultural experiences for their managers. In both cases it is important to develop, through training, tolerance of ambiguity and cultural flexibility.

### About the Researchers

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