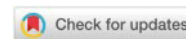


WHAT ARE THE CHALLENGES OF INTERCULTURAL LEADERS IN CONTEMPORARY BUSINESS?

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Abstract: The growth of globalisation and international trade has led to increased contact between different cultures, revealing the limitations and problems that can arise in their interaction. Negotiations are often complicated by the cultural distance created by different behaviour patterns in business practice. Accepting and taking into account the presence of multiculturalism can sometimes mean changes in global strategies or can call into question management models that have been considered valid until now as standard management models. Recognising and managing cultural distance allows companies and organisations to secure critical competitive advantages by reducing communication time and avoiding misunderstandings. Successful organisations are made up of people with excellent leadership skills. The twenty-first century requires a particular type of leader who can deal with globalisation and the new era's challenges. An experienced leader should be able to successfully manage changes, make good decisions in complex situations, respect cultural customs and differences, and inspire his environment so that people understand the more profound meaning and purpose of the work they do in accordance with the demands of a changing and unpredictable market environment. A company is competitive to the extent that it is able to understand, use and transmit information to others, which reflects the competence of leaders. There are increasingly multinational companies that include many people worldwide in their business and connect them to each other regardless of long distances. They control capital, technology and resources around the world. Leaders plan and supervise essential organisational functions, such as production, development, sales and procurement, accounting and finance, and human resources management. For daily business, they usually form a team of associates who lead specific segments of the organisation, such as the manager for finance, human resources, and marketing. With their help, they manage the business, delegate tasks and control the fulfilment of set goals. To coordinate and supervise the execution of tasks, managers work out rules related to the distribution of responsibilities and competencies, control mechanisms and information exchange. The paper aims to show how a modern organisation, in addition to all its characteristics, combines cultural differences and intercultural leadership, as well as what qualities and competencies are desirable for someone to be considered a successful intercultural leader.

Keywords: contemporary organization, communication, leadership, culture, intercultural leadership

Field: Social sciences and Humanities

1. INTRODUCTION

Iedema and Wodak (1999) posit that organisations are not static entities but are continually shaped and reshaped through the process of communication between employees (Iedema and Wodak, 1999 in Jones et al., 2004). This dynamic nature of organisations, which are organisations highly differentiated social with formal and informal boundaries and negotiated identities, is a testament to the importance of communication systems (Scott, 1997; Trice & Beier, 1993; according to Jones et al., 2004). Organisations are encouraged to adapt and change their structure within the company and business in response to market demands (Jones et al., 2004). In this context, communication processes also undergo transformation to sustain relationships - both internal and external communication in the company.

At the beginning of the 21st century, globalisation has continuously increased the demands for new changes in international business. The skills honed by the organisation's employees have undergone a dramatic transformation through intensive cooperation, fostering more creative thinking and problem-solving, as well as exchanging and creating knowledge and ideas (Jones, 2004). Modern technologies have been a game-changer, enabling the birth of new types of businesses worldwide, such as discount knowledge-creating companies and global virtual teams (Jones, 2004). This dynamic evolution of the field should pique leaders' interest, inspiring them with its potential.

2. ORGANIZATION AND COMMUNICATION

"Change is a ubiquitous phenomenon in organizations, and communication is a central process in planning and implementing change" (Jones, 735, 2004). Urošević & Mladenović-Radosavljević (2021) say that the communication processes of change in the organization are an indispensable element

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that goes hand in hand, and that the secret of a successful outcome lies in the communication itself. The problems faced when it is necessary to apply change strategies; Levis points out two issues that are repeated: (a) participation of employees in the change (especially employees at lower levels of the hierarchy) and (b) communication with change management, it is also considered that it is necessary to consider the actual communication during the period of change (Lewis, 1999 in Jones, 2004.). Authors Lewis and Seibold described six parts that should be focused and analyzed in the framework of communication, which are: (a) approach to actual implementation of change, (b) strategies and actions for implementation, (c) change agents, (d) variables or circumstances affecting the change process, (e) planning and implementation, and (f) recommendations (Levis&Seibold, 1998; according to Jones et al., 2004). In this context, D'Aprik (1996) put forth a practical suggestion that proactive accountability of channels of communication can improve employee engagement and potentially mitigate employee reluctance. It underscores the importance of effective communication strategies during times of change (Jones, 2004). Employees believe that introducing modern technologies will affect the introduction of new structures in the company. In this regard, several claims support the fact that culture and structure drive technology use. Namely, the authors Ahuja and Carlei (1998) came to the conclusion in their research that virtual organizations are hierarchical in terms of the communication process. The development of modern technologies and communications will contribute to better flexibility in self-management control. Harrison and Falvey believe that "new technologies are more often used to collect information about employees than employees appropriate them for their own needs" (Harrison & Falvey, 2001 in Jones, 2004).

3. ORGANIZATIONS AND MANAGEMENT

Organisations, in their quest for competitiveness and advancement, often grapple with the variability of human action, leading to difficulties and challenges for individuals during change (Schwarz & Watson, according to Jones et al., 2004; Vuković et al., 2021). Previous research has shed light on the transformative impact of effective change communication, particularly when delivered by middle managers and supervisory members of the organisation, who can significantly influence employee behaviour (Larkin & Larkin, 1994; Pfeffer, 1998; according to Vuković et al., 2021). This effective communication not only diminishes uncertainty about change but also opens the door to higher levels of employee adjustment and more positive organisational outcomes (Jones et al., 2004). In contrast, implementers often identify communication issues as the most severe (Levis, 2000; according to Jones et al., 2004). This underscores the potential for positive change and improvement that effective communication holds, instilling a sense of motivation and hope. It is important to note that employees' perceptions of communication during changes can vary. Therefore, these insights have practical implications for organisations, emphasising the need for tailored communication strategies to address the diverse perceptions of different employee groups during change.

4. LEADERSHIP

Balcerzyk (2021) lists several authors who give their definitions of leadership. Leadership, as described by Griffin (2000), is an influence in order to achieve the organisation's goals, motivate employees in order to achieve effects, and also strengthen the organisation and culture of the group; in this regard, leadership represents a set of characteristics of superiors, which can influence behaviour subordinates, without the use of force. Namely, Griffin (2000) says that it represents a set of processes that are applied to influence subordinates to cooperate to achieve the company's goals. Speaking about the characteristics of a leader is a person whose authority and behaviour arouse the willingness of others to follow him (Szczerba, 2013). A large number of universal traits characterise positive leadership and are considered to characterise outstanding leadership. The discount of a good communicator, coordinator, motivator, conflict resolution, and many more indicates a transformative, ethical, and charismatic leadership philosophy (Den & De, 2023). The leader must adapt his behaviour in the business environment, consider cultural differences, and change his behaviour model to fit into the newly created corporate situation and environmental requirements (Tsai, 2022). Many authors consider the concept of leadership as a relationship of influence between the leader and those who recognise him as a leader. Blanchard (2007), for example, defines leadership as the ability to effectively influence people by unleashing their strength and potential to enable them to strive for the greater good. Referring to the concepts of leadership and management, Benis (1989), then Lutans (2011) and Kožušnik (2005) draw attention to the problem of interchangeable use of the concepts of leadership and management in the literature, pointing to fundamental differences in their definition. According to Kožušnik, (a) the concept of leadership is primarily a relation of influence, not

a relation of power; (b) leadership is about followers and leaders - not about subordinates and managers; (c) in leadership, intended changes reflect common goals, while in management they are the result of coordinated action (according to Balcerzyk, 2021) Kozminski and Jemielniak (2011) discuss leadership as the ability to lead a smaller or larger number of subordinates and that it is conditioned by conveying a vision and influencing and causing emotional desire (Balcerzyk, 2021).

Throughout history, theories of leadership have changed. One of its definitions is the proposal of Avery (2009), who described four approaches to human sacrifice. Namely, it is classical, transactional, visionary, and organic. Namely, here we are talking about establishing and forming the starting points of leadership, followed by dedication and vision. The first is self-explanatory, while the second focuses on emphasizing leadership dominance through respect and the power of control. In this regard, the activity of subordinates is based on fear and respect for subordinates in classical leadership. The characteristics of transactional leadership are that the team is influenced based on possible rewards or punishment. While visionary leadership is focused on emotions, the task of leaders is to inspire subordinates. It is characterised by an individual approach, sharing common beliefs, visions, values, and the desire for self-definition. When it comes to organic leadership, understanding the shared environment is the basis, while the leader is not formally determined. Approach to vision is the last criterion that Avery (2009) suggested, which is disputed regarding the different understandings of the theories. In classic leadership, the leader's vision is optional for subordinates to fulfil the leader's requirements. In transactional leadership, it does not have to be present and articulated.

In contrast, in visionary leadership, the vision is the foundation, and group members can contribute to the vision. Likewise, in organic leadership, the vision appears in the group and is an integral part of the organisational culture (Balcerzyk, 2021). It has been observed in the literature that the model of transformational leadership plays a significant role. Transformational leaders are able to transform people from followers to leaders (Van Linden & Fertman, 1998; according to Balcerzyk, 2021) and to influence followers to overcome their interests for the greater good of the organisation (Bass, 1990; according to Balcerzyk, 2021). Transformational leaders motivate and inspire followers to achieve outstanding goals and are process-oriented (Van Linden & Fertman, 1998; according to Balcerzyk, 2021).

5. THE ROLE OF A LEADER

The leader's role, born from visionary concepts, is not limited to a few individuals. In the modern business environment, it is expected that all employees, to some extent, demonstrate leadership. This necessitates the identification and cultivation of these qualities throughout the organization. Simerson and Venn (2010) have outlined nine key roles that leaders must embody in their daily practices: guardians, confidants, educators, tacticians, supporters, developers, inspirers, and team leaders (Balcerzyk, 2021). Significant data on how a leader is perceived was provided by research conducted by Balcerzyk (2020). A sample of 340 respondents, equal in terms of gender, consists mainly of young people 19-25, a third of 26-35, while the remaining part of the sample consists of others (out of 36 and over 55). In the research that was conducted, over 100 employees worked in the company, while the rest of the respondents, from 51 to 100, worked in smaller companies, which accounted for 12%, from 21 to 20, 11%, from 11 to 20, which is 7 %, and from 6 to 10, 10%, and up to 5 employees 11%. The segment that was taken into account is positions in the company. Namely, 5% were senior management, 22% were mid-level managers, and 12% were junior managers; the rest of the respondents made up the group of 61%; a different position in the company characterized them. The research was conducted by asking employees about the role of leaders in the company, and they were offered answers. Therefore, leaders such as mentors, mediators, inspirers, strategists, guardians, tutors, or visionaries were suggested to them (ibid.). The results indicate that leaders fit into the framework of mentors and strategists, characterized by managing a team that strives to improve and collaborate with them. The research findings underscore the pivotal role of knowledge and trust in effective leadership. These factors and planning and management skills are essential in managing the company and its employees. The research also highlights the importance of building relationships and fostering team spirit to achieve common goals. Furthermore, the experience of the leader and other team members was found to be a key factor, aligning with current leadership theories. Namely, they agree with the view that flexibility and adaptability of the leader are necessary depending on the business environment. Not only must a leader have a long-term vision, mission, and strategy, but he must also be inspiring, a motivator, ready for changes, and supportive of the people to whom he is superior. Harriss (1999), independently of the research of Balcerzyk (2020), emphasized that the role of leaders in modern organizations is multiple and dynamic, requiring a combination of strategic vision, interpersonal skills, ethical behaviour and adaptability to navigate the complexity of today's business

world. Effective leadership is essential for fostering innovation, driving growth and creating sustainable value for organizations and society at large. Balcerzyk's results confirmed that the paradigm is still very current.

As the critical aspects of the role of leaders in modern organizations, Harris (1999) stated: (1) Vision and strategy; (2) Inspiration and motivation; (3) Making decisions; (4) Communication (5) Building and developing teams; (6) Adaptability and change management; (7) Ethical leadership; (8) Diversity and Inclusion; (9) Stakeholder management and (10) Continuous learning and improvement.

6. INTERCULTURALISM AND INTERCULTURAL LEADERSHIP

Bedeković (2010) states the definition given by UNESCO, "interculturalism means knowing and understanding different cultures and establishing positive relations, exchange and mutual enrichment between different components within the culture of one country and between different cultures in the world, striving to overcome the process of assimilation and passive coexistence multitude of cultures in order to develop self-esteem, respect and understanding of cultures" (p.91). Looking at it through the prism of a leadership role, one must pay particular attention and follow a wide range of government regulations and guidelines covering various areas such as employment, environment, tax and accounting. Intercultural communication and intercultural management, in the context of intercultural leadership, deal with one of the critical issues of modern management: how to manage interactions with customers, staff and organizational systems of different cultures in the global market. An increasing number of organizations and companies today operate internationally, and therefore, the influence of culture on customer behaviour and managerial, professional and communication styles should not be underestimated. A growing number of mergers and acquisitions of companies, joint ventures and international partnerships involve dealing with different cultural values and organizational and strategic systems, which must be managed appropriately.

Cultural differences can profoundly affect interpersonal communication methods, while a lack of awareness and competence about these aspects, on the contrary, can lead to conflicts and problematic situations. Today, all this constantly imposes the need to improve communication skills and intercultural management. Intercultural communication is undoubtedly a challenge that a manager must overcome if he wants to communicate effectively and successfully perform his tasks. In this way, intercultural leadership is the ability to lead a team or organization with different cultural backgrounds. What research has shown so far, among them Balcerzyk's research, the critical competencies of intercultural leaders would be considered to be (1) understanding and respect for different cultures, (2) the ability to communicate effectively in multiple languages, (3) flexibility in adapting to different cultural contexts, (4) the ability to resolve conflicts in a culturally sensitive manner and openness to learning and (5) the development of intercultural competence.

7. CULTURAL DIFFERENCES AND MANAGEMENT

In the realm of global business, communication with members of different countries presents a myriad of challenges. Language barriers are often the first hurdle, but there are also complexities associated with the use of various tools for non-verbal communication. Understanding the potential language of the culture with which we plan to collaborate, the reference sector or the economic situation is crucial in the globalist context. However, it is increasingly vital to comprehend how cultural communication encompasses gestures, attitudes, and behaviours of members of different cultures and countries. A manager must not only be open to diversity but also embrace the values, opinions, and ideas that result from it. Cultural differences, though delicate, are essential topics for organizations to address. To operate successfully, organizations must delve into the specific characteristics of cultural differences, enabling them to focus on the strategy they apply with their associates (Chua et al., 2023). The diverse business behaviours of members from different cultures necessitate a deep understanding of these differences to foster successful business cooperation. Spitzberg (2010) conveys Geert Hofstede's position, which underscores that the cultural background of the interlocutor must be kept in mind in communication. Moreover, culture in business management can exert a significant influence on decision-making and human resource management, a fact that should not be underestimated.

8. INTERCULTURAL COMPETENCE

One crucial factor that enables us to learn and understand others and those who are different from us and about ourselves is intercultural competence. Piršl states that being interculturally competent means having knowledge and positive attitudes and establishing successful interaction with others, i.e., high-quality intercultural communication (Piršl, 211, 2014). Leading a team is not a simple task, even if there is a high degree of homogeneity between group elements. Managing a team with great cultural diversity becomes a more significant challenge because culture determines the number of fundamental elements such as values, principles, social behaviour and the perception of reality, which would be different. If, on the other hand, all individuals had a shared understanding of what is right or wrong, what is appropriate or not, the management of relationships in the group would become more straightforward, which would lead to corporate well-being. However, misunderstandings may arise with elements originating from very different cultural and religious contexts within the group.

One of the most essential competencies that a modern leader must master is intercultural communication competence. Intercultural competence is “the comprehensive internal ability of an individual to manage key challenging features of intercultural communication, such as cultural differences and unknowns, attitudes that exist between certain groups and the experience of stress that accompanies such a situation” (Piršl, 207, 2014). A modern leader knows how to analyze a situation and choose how to behave at a given moment. According to Piršl (2014), an effective communicator should be motivated, which means that he wants to interact, in the case of a leader, in a business relationship or negotiation with a member of another culture. He must know: that means he has information and knows the culture of the person he is talking to. The leader must also master the skills, that is, correctly apply the ways of behaviour in order to achieve his goals. It is important to emphasize that an interculturally competent person must have the ability to mediate, interpret, critically and analytically understand one’s own and other cultures, intercultural communication; Being able to “see”, understand and accept the relationship between different cultures; Cognitive, emotional and behavioural dimensions. All qualities are necessary for leaders today to overcome cultural and intercultural communication barriers, successfully understand and accept their business associates and clients regardless of their culture and identity, and to do business successfully.

If leaders can manage themselves, stress, time, energy, and emotions successfully, they will undoubtedly manage other people better.

9. CONCLUSION

Corporations are increasingly aware of the importance of socially responsible business, ecology, and environment in today’s globalised and contemporary business environment. Therefore, they integrate it into their business. This integration also extends to leaders’ personal growth, who become part of the local community outside the workplace. At the organisation’s level, a good leader must build his personality and work on himself. In order to lead others, it is vital first to learn to lead himself/herself. A true leader leads by example and is a role model for his followers or team members in all circumstances. It has been shown that without cultural awareness, success is impossible in the international market, where opportunities for intercultural contact and communication are daily. Intercultural communication in management is influenced by intercultural competence, which is not just a skill but a journey of personal growth and understanding of interlocutors of different cultures.

In the age of globalisation, the development of communication technologies, and the growth of the number of multinational companies, the need for intercultural competence and its improvement concerns every expert and every leader who, in intercultural communication, must know the rules and norms that are valid in the market, society, and culture of the interlocutor. In order to be successful, the intercultural leader must gain awareness and sensitivity to the different rules and cultural differences in communication that apply to the cultures of the interlocutors. This not only helps in predicting, avoiding, and resolving conflicts more efficiently but also opens up new business opportunities and enhances professional relationships. Successful business communication between cultures requires numerous skills such as knowledge of other cultures, knowledge of foreign languages, appreciation of other people’s communication styles, styles in written communication, listening carefully, helping others to adapt to our culture and recognising situations in which translators and interpreters are needed (Bovee & Thill, 2013). The leader must be aware of his way of communication and the differences in the interlocutor’s culture. He/She must master the skill of empathy and the ability to perceive the world through the eyes of the interlocutor’s culture. Challenges for leaders of companies are everyday and inevitable. The leader should accept the challenge

of interculturality and intercultural communication with an adventurous spirit of continuous learning and improvement because challenges exist in communication with business partners from another culture. However, challenges of intercultural communication exist within the immediate environment - with colleagues in the collective.

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