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THE ROLE OF GLOBAL LEADERSHIP IN DRIVING SUCCESS IN A GLOBAL MARKETPLACE

Syarifuddin¹, A. Sobandi², Eeng Ahman³

^{1, 2, 3} Universitas Pendidikan Indonesia ¹ <u>syarif.dins05@upi.edu</u>, ² <u>ade@upi.edu</u>, ³ <u>eengahman@upi.edu</u>

Abstract

This study explores the critical influence of global leadership on achieving organizational success within complex international markets. With globalization advancing, leaders face the challenge of managing cultural diversity, regulatory differences, and shifting market conditions. The research identifies key competencies for global leaders, including cultural intelligence, strategic foresight, adaptability, and ethical decision-making, which are essential for efficient cross-border management. Employing a qualitative approach, this study synthesizes insights from an extensive academic literature review, examining how these competencies impact organizational metrics such as market share, customer satisfaction, and employee engagement. Thematic analysis reveals that leaders with adaptability and strategic insight are better equipped to address technological innovations, regulatory changes, and socio-political issues. The conclusions emphasize the importance of developing leadership frameworks that support these competencies to bolster organizational resilience and competitive advantage globally. This study enriches the literature by linking global leadership competencies to quantifiable performance metrics and offering a foundational model for nurturing effective leadership in a swiftly transforming international landscape. Keywords: Global Leadership, Organisational Resilience, Leader Competencies, International Markets,

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Abstrak

Studi ini mengeksplorasi pengaruh penting dari kepemimpinan global dalam mencapai kesuksesan organisasi dalam pasar internasional yang kompleks. Dengan semakin majunya globalisasi, para pemimpin menghadapi tantangan dalam mengelola keragaman budaya, perbedaan peraturan, dan kondisi pasar yang terus berubah. Penelitian ini mengidentifikasi kompetensi utama bagi para pemimpin global, termasuk kecerdasan budaya, pandangan strategis, kemampuan beradaptasi, dan pengambilan keputusan yang etis, yang sangat penting untuk manajemen lintas batas yang efisien. Dengan menggunakan pendekatan kualitatif, penelitian ini mensintesis wawasan dari tinjauan literatur akademis yang ekstensif, memeriksa bagaimana kompetensi ini berdampak pada metrik organisasi seperti pangsa pasar, kepuasan pelanggan, dan keterlibatan karyawan. Analisis tematik mengungkapkan bahwa para pemimpin yang memiliki kemampuan beradaptasi dan wawasan strategis lebih siap untuk menghadapi inovasi teknologi, perubahan peraturan, dan isu-isu sosial-politik. Kesimpulannya menekankan pentingnya mengembangkan kerangka kerja kepemimpinan yang mendukung kompetensi-kompetensi tersebut untuk meningkatkan ketahanan organisasi dan keunggulan kompetitif secara global. Studi ini memperkaya literatur dengan menghubungkan kompetensi kepemimpinan global dengan metrik kinerja yang dapat diukur dan menawarkan model dasar untuk membina kepemimpinan yang efektif dalam lanskap internasional yang berubah dengan cepat.

Kata kunci: Kepemimpinan Global, Ketahanan Organisasi, Kompetensi Pemimpin, Pasar Internasional, Strategi Kompetitif



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INTRODUCTION

Globalization has profoundly transformed the business landscape, heightening the demand for leaders skilled in managing diverse and complex environments. As organizations broaden the international operations, they encounter distinctive challenges that require leadership capabilities extending beyond conventional frameworks.¹ Consequently, global leadership plays an essential role, not only in maintaining competitive advantage but also in promoting organizational success within a global market. Effective global leadership extends beyond the management of international operations; it requires leaders to enhance global business strategies by leveraging cross-cultural awareness, adaptability, and strategic acumen.² Moreover, global leadership must possess the capability to make informed decisions amidst international challenges, including varying regulations, distinct market dynamics, and diverse consumer preferences. These capabilities are crucial for enabling companies to adapt and compete effectively in the global marketplace, given that each country operates with distinct business regulations and policies.³ Global leaders must understand and adhere to these regulations to prevent legal sanctions and uphold the company's reputation. Additionally, international markets exhibit diverse characteristics, such as varying levels of competition, economic conditions, and industry trends. Leaders must possess the analytical skills to assess and respond to these dynamics, allowing them to seize opportunities and address emerging challenges. Furthermore, consumers across different countries demonstrate unique preferences, cultural backgrounds, and purchasing behaviors, necessitating that leaders tailor products, services, and marketing strategies to align with local consumer needs and expectations.⁴

To address these demands, global leaders must cultivate competencies that equip them to manage cultural diversity, complex decision-making processes, and the strategic demands characteristic of a globalized business setting.⁵ Study by Edith et al. underscores that effective leaders actively foster innovation, establish robust market positions, and enhance customer engagement elements essential for reaching product marketing goals. Leaders must also demonstrate adaptability, respond proactively to evolving market dynamics, and promote

¹ Maryam Hassanzadeh et al., "Global Leadership in a University Setting," *Mediterranean Journal of Social Sciences* 7, no. 2 (2016): 353–59, https://doi.org/10.5901/mjss.2016.v7n2p353.

² By B Sebastian Reiche et al., "What Is Global Leadership?," *The World Financial Review*, 2013, 24–27.

³ L Zander, *Research Handbook of Global Leadership: Making a Difference* (Cheltenham, UK: Edward Elgar Publishing, 2020).

⁴ Kate, "Unlock the Full Potential of Your Business with a Tailored Marketing Strategy" (Piece Of Cake Marketing, 2023), https://pieceofcakemarketing.co.uk/unlock-the-full-potential-of-your-business-with-a-tailored-marketing-strategy/.

⁵ Lina Cirtautienė and Auksė Endriulaitienė, "The Influence of Psychological Factors for Leader's Efficiency in Global IT Companies," *International Journal of Psychology : A Biopsychosocial Approach* 22 (2018): 113–33, https://doi.org/10.7220/2345-024x.22.6.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

interdepartmental collaboration to maintain a cohesive marketing strategy.⁶ Also study by Bryan elucidates that essential competencies for effective leadership in global business encompass adaptability to global trends, cross-cultural awareness, strategic flexibility, collaboration, and ethical leadership.⁷ Additionally, competencies such as innovation, empathy, collaboration, and strategic leadership play a critical role in addressing the complex and dynamic challenges prevalent in the global marketplace.⁸ The absence of these competencies leads to significant negative consequences, including a loss of competitiveness. Without innovation, companies risk lagging in global competition due to an inability to adapt to technological advancements, evolving consumer demands, and industry trends. Innovation fuels the development of new products and operational efficiencies, essential for maintaining relevance and competitiveness.⁹ Furthermore, customer dissatisfaction becomes a prominent risk. Empathy is vital for understanding the unique needs and preferences of consumers across diverse markets. Lacking empathy, companies may fail to meet local consumer expectations, resulting in dissatisfaction and a decline in customer loyalty, which ultimately damages reputation and reduces market share.¹⁰

The disruption of team collaboration is another consequence, as the global marketplace requires strong collaboration within cross-cultural and cross-functional teams. Without collaborative skills, communication and coordination weaken, leading to internal conflict, miscommunication, and diminished performance.¹¹ Insufficient collaboration also hinders timely decision-making in a rapidly changing business environment. Finally, a lack of strategic direction becomes apparent. Strategic leadership is crucial for identifying opportunities and threats in a dynamic global market. Without it, companies struggle to navigate market changes and adapt strategies swiftly, risking performance decline and potential failure in international expansion. In sum, failing to cultivate these competencies not only limits a company's success in the global

⁶ Edith, E. A. et al., "The Role of Strategic Business Leadership in Driving Product Marketing Success: Insights from Emerging Markets," *International Journal of Frontline Research in Science and Technology* 3, no. 2 (2024): 001–018, https://doi.org/10.56355/ijfrst.2024.3.2.0044.

⁷ Bryan Reilly, "Global Leadership Competencies of Ceos and Their Performance in International Business By an Independent Study Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration Program in (International Program) Fa," 2023.

⁸ Guangya Ma et al., "Empathetic Leadership and Employees' Innovative Behavior: Examining the Roles of Career Adaptability and Uncertainty Avoidance," *Frontiers in Psychology* 15, no. May (2024): 1–15, https://doi.org/10.3389/fpsyg.2024.1371936.

⁹ Serhii Kubitskyia et al., "Evaluating the Impact of Innovative Technologies on Global Competitiveness through Modelling," *Multidisciplinary Science Journal* 6 (2024), https://doi.org/10.31893/multiscience.2024ss0710.

¹⁰ Waseem Bahadur, Saira Aziz, and Salman Zulfiqar, "Effect of Employee Empathy on Customer Satisfaction and Loyalty during Employee–Customer Interactions: The Mediating Role of Customer Affective Commitment and Perceived Service Quality," *Cogent Business & Management* 5 (July 10, 2018): 1–21, https://doi.org/10.1080/23311975.2018.1491780.

¹¹ Samuel Holloway, "The Role of Supply Chain Collaboration in Enhancing Marketing Effectiveness," June 20, 2024.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

market but also intensifies risks related to internal instability, customer dissatisfaction, and a lack of readiness for increasingly complex global challenges.

Although global leadership's significance is increasingly recognized, a shortage persists of leaders capable of managing cross-border operations and multicultural teams effectively. While numerous studies have investigated leadership competencies broadly, few have developed integrated models tailored specifically to the global marketplace. Existing research frequently discusses leadership competencies, yet lacks a unified framework addressing the distinct challenges of global markets, particularly in culturally diverse settings. Despite the importance of cultural agility in global leadership, many studies neglect the practical strategies leaders employ to manage and leverage cultural diversity effectively. Empirical analysis linking global leadership traits to organizational performance metrics across various international markets remains limited. This gap offers an opportunity to examine how specific competencies, such as adaptability and cultural intelligence, tangibly affect organizational success. Consequently, there is a critical need to establish a comprehensive framework for global leadership competencies, aligned with the demands of contemporary organizations.

This study will explore essential domains to provide a thorough understanding of global leadership: It will define critical competencies for global leaders, including cultural intelligence, strategic vision, and adaptability, which are essential for success in diverse international contexts. Additionally, it will assess the influence of global leadership on organizational performance metrics, such as market share, cross-border collaboration, and employee engagement within multicultural teams. By examining case studies of successful global leaders across various regions, the study aims to reveal how they address cultural and economic challenges, thereby identifying effective leadership strategies. Finally, it will investigate emerging challenges in global leadership, including technological advancements, sustainability issues, and remote team management, which hold increasing significance in the contemporary global business landscape.

This study aims to identify the specialized competencies essential for effective global leadership, assess their impact on organizational performance, and explore the emerging challenges that global leaders encounter. This study examines pertinent academic literature to elucidate the role of global leadership in advancing global business strategy. By identifying critical competencies such as cultural intelligence, adaptability, and strategic flexibility, researchers provide organisations with insights to build a comprehensive leadership framework tailored to the complexities of the global marketplace. This framework serves as a basic guide for developing global leadership skills. The findings of this research further bridge the gap by directly linking global leadership qualities to measurable organisational performance indicators, including market share, cross-border collaboration, and employee engagement. These insights empower organisations to enhance

leadership development through data-driven improvement. In addition, the study also provides valuable foresight into emerging global leadership challenges, such as adapting to technological change, addressing sustainability issues, and managing remote teams. By equipping leaders to navigate these developments, this research supports organisations in building resilience and maintaining competitive advantage. The research on the role of global leadership in driving success through the global market is depicted in the following diagram:



Figure 1. Conceptual Framework

RESEARCH METHODS

Research Design

This study employs a qualitative research design to investigate the role of global leadership in enhancing global business strategy. Creswell describes qualitative research as an investigative process focused on comprehending social or human issues through a comprehensive, holistic approach. This method involves constructing an in-depth depiction of the phenomenon being studied, relying predominantly on descriptive language and detailed narratives rather than quantitative data. Conducted within natural settings, qualitative research enables a thorough exploration of participants' experiences and viewpoints.¹²

¹² John W. Creswell and J. David Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches (4th Ed.), Research Defign: Qualitative, Quantitative, and Mixed M Ethods Approaches* (Sage Publications, 2018).

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

Through an extensive review of relevant academic literature, this study consolidates insights into the competencies, challenges, and emerging trends associated with global leadership within the context of international business. A qualitative approach enables a nuanced examination of complex dynamics in global leadership, utilizing theoretical frameworks like contingency theory and cross-cultural communication to analyze adaptability, cultural intelligence, and ethical dimensions essential for effective global leadership.

Research Instruments

The primary instrument for this qualitative study is a systematic review of academic literature and secondary sources, including peer-reviewed articles, books, and case studies focused on global leadership competencies and practices. This systematic approach facilitates a detailed analysis of leadership theories and provides an evidence-based foundation for understanding key competencies, such as strategic flexibility, intercultural communication, and ethical decision-making. Research articles and texts are selected based on their relevance, quality, and contributions to understanding global leadership within the globalization framework.

Data Collection

Data collection involves conducting a systematic review of scholarly literature, concentrating on sources published in the past decade to ensure current relevance and accuracy. This process includes identifying and gathering research from reputable databases and journals that examine global leadership competencies, the influence of globalization on leadership roles, and how cultural diversity impacts leadership effectiveness. The data collection also incorporates recent publications addressing the evolving societal expectations and technological advancements that shape contemporary global leadership.

Data Analysis

Data analysis is performed using thematic analysis to identify, categorize, and interpret primary themes related to global leadership competencies and their influence on organizational success in a global setting. This process begins with coding and organizing data from the reviewed literature, with a focus on recurring patterns such as adaptability, cultural intelligence, strategic insight, and ethical leadership. Through this analysis, distinct themes emerge, offering insights into the competencies needed to manage the complexities of global business strategy, and clarifying how global leaders handle cultural diversity and cross-border collaboration to support organizational resilience.

Data Interpretation

The findings are interpreted through the lens of established leadership theories, particularly contingency theory and cross-cultural communication frameworks. This interpretation evaluates how effective global leadership promotes organizational adaptability, ethical practices, and strategic cohesion across diverse international markets. By synthesizing and interpreting themes from the literature, the study underscores the evolving role of global leadership and its significance in advancing business strategies within a connected world. This interpretative process aids in developing a foundational framework for fostering global leadership competencies that meet the needs of modern organizations.

RESULTS AND DISCUSSION

The Role of Global Leadership in Steering Global Business

Global leadership embodies the capacity to influence, inspire, and direct individuals or organizations across diverse cultural, national, and organizational boundaries. This capability requires navigating intricate international settings, understanding and respecting cultural distinctions, and fostering collaboration among stakeholders from varied backgrounds. In today's globally connected environment, where businesses and organizations function on an international scale, this leadership style holds significant relevance.

Spencer-Oatey offers a comprehensive perspective on global leadership, defining it as a complex interplay among four primary elements: the leader, followers, purpose, and context. He underscores that leadership encompasses more than just the behavior or qualities of the individual in command; it entails the effective enactment of intricate and dynamic interactions between these elements.¹³ Maznevski and Dhanaraj further elaborate on global leadership, describing it as the integration of interdependent individuals and processes that transcend national boundaries, whether implicitly or explicitly.¹⁴ The global leaders include not only executives of multinational organizations but also any individual responsible for coordinating the work of teams distributed across diverse regions. Global leaders must possess a number of competencies to succeed, including:¹⁵

¹³ O. H Spancer, "Global Leadership: Key Concepts and Frameworks BT - Developing Global Leaders: Insights from African Case Studies," ed. Eva Jordans, Bettina Ng'weno, and Helen Spencer-Oatey (Cham: Springer International Publishing, 2020), 7–28, https://doi.org/10.1007/978-3-030-14606-1_2.

¹⁴ M. L. Maznevski et al., "Global Leadership and Global Teams," 2020, https://www.imd.org/research-knowledge/leadership/articles/global-leadership-and-global-teams/.

¹⁵ Cirtautienė and Endriulaitienė, "The Influence of Psychological Factors for Leader's Efficiency in Global IT Companies."

- 1. Managing Change: The ability to see the need for change in the organisation and implement it effectively.
- **2. Decision Making**: Making strategic decisions based on data analysis and intuition to solve problems.
- **3. Managing Office Politics**: Understanding the political dynamics within the organisation and influencing others to achieve common goals.
- **4. Innovation and Risk Management**: Able to innovate while managing risks associated with business change and development.

This framework of global leadership underscores the necessity of cultural intelligence, adaptability, and strategic vision. Proficient global leaders demonstrate the ability to manage the complexities of international operations, establish cross-cultural relationships, and align diverse teams toward shared objectives. In addition, successful global leaders also possess strong cross-cultural communication skills, which enable them to bridge cultural gaps in decision-making.¹⁶ Effective communication in an international environment helps minimise cultural conflicts that can affect a company's productivity and performance. To achieve effective communication, mutual understanding between the speaker and the listener is crucial, implying the need for communication models or patterns.¹⁷ Here are some important aspects of international communication that can help reduce cultural conflict:

- 1. Understanding Culture and Context: Understanding the local culture and context is a very important first step in international communication. Every country has different norms, values and communication habits. Therefore, companies should conduct in-depth research on their target culture to craft messages that are relevant and well-received by international audiences.¹⁸
- 2. The Right Choice of Media: The choice of appropriate communication media is also a key factor in reaching international audiences. Traditional and digital mass media should be selected based on audience preferences as well as the local context. For example, the use of social media could be more effective in some countries compared to print media.¹⁹

¹⁶ Gary Yukl, Leadership in Organizations, 8th Edition, 2013.

¹⁷ Mohamad Sudi et al., "Investigating Buying-Selling Communication Patterns in the Kangean Community at Kalikatak Market: An Ethnographic Communication Approach," *Retorika: Jurnal Ilmu Bahasa* 10, no. 1 (2024): 213–27, http://10.0.217.85/jr.10.1.9431.213-227.

¹⁸ N Amalia, "International Communication in Public Relations Perspective" (Djuanda University, 2024).

¹⁹ M. H. Fitri, H. Aulia, and K. S Siti, "Global Communication Strategy: An Approach to Enhancing International Market Success," *INNOVATIVE: Journal Of Social Science Research* 4 (2023): 12820–25, https://j-innovative.org/index.php/Innovative.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

Positive interactions, such as personalized responses, and interactive content, contributed positively.²⁰

- **3. Consistent and Relevant Messages:** The messages should be consistent with the organisation's objectives and relevant to the target audience. This includes tailoring content to the needs and interests of the international public. Messages should be delivered in an easy-to-understand manner to avoid misunderstandings.²¹
- **4. Use of Language and Symbols:** Language and symbols play an important role in international communication. The use of clear language and culturally appropriate symbols is necessary to ensure messages are well received. For example, certain colours or images may have different meanings in different cultures, so the selection of symbols should be done carefully.²²
- **5. Responsive to Feedback:** Effective communication also involves the ability to listen and respond to feedback from international audiences. This includes understanding the public's response to the message and making adjustments where necessary. Being responsive to feedback can help build trust and strengthen relationships between companies and audiences.²³
- 6. International co-operation: Building partnerships with organisations or individuals in other countries can increase the effectiveness of international communications. This could include collaboration with foreign media or government agencies to strengthen messaging.²⁴
- **7. Lobbying and Negotiation Techniques:** Lobbying and negotiation are important techniques in dealing with cross-cultural communication challenges. Through lobbying, companies can understand local dynamics and build rapport with interested parties, while negotiation helps overcome cultural differences and reach mutually beneficial agreements.²⁵

²⁰ Denpharanto Agung Krisprimandoyo et al., "Exploring the Relationship between Social Media Engagement, Customer Reviews, and Brand Perceptions: A Comprehensive Study in Retail Industry," *International Journal of Business, Law, and Education* 5, no. 2 (2024): 1584–91, https://doi.org/10.56442/ijble.v5i2.597.

²¹ Amalia, "International Communication in Public Relations Perspective."

²² Fitri, Aulia, and Siti, "Global Communication Strategy: An Approach to Enhancing International Market Success."

²³ Amalia, "International Communication in Public Relations Perspective."

²⁴ Fitri, Aulia, and Siti, "Global Communication Strategy: An Approach to Enhancing International Market Success."

²⁵ Fitri, Aulia, and Siti.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

Strategic Decision Making in Global Business

Decision-making in global organisations requires a deep understanding of local and global market dynamics. Effective global leadership helps companies make decisions that take into account international regulations, market conditions, and local culture.²⁶ Global leaders must be able to balance global needs with local adaptations, creating products that are globally relevant but also fit local market preferences.²⁷ For example, companies like Unilever have developed global business strategies that accommodate local preferences by modifying their products in different countries. The global leaders at Unilever manage to maintain a balance between global standards and local flexibility, which makes them one of the most successful multinational companies. Here are some strategies that global leaders can implement to achieve this balance:²⁸

- 1. Understanding Market Culture and Preferences: Leaders should conduct in-depth market research to understand the culture, behaviour, and preferences of consumers in each local market. This includes:
 - a. **Cultural Analysis:** Understanding the values, norms, and customs of the local community.
 - b. **Consumer Preferences:** Identifying what local consumers want, including product flavours, sizes, and packaging.
- 2. Product Adaptation Strategy: There are two main approaches to product development: adaptation and standardisation. Leaders need to decide which one is more suitable for their product:
 - a. Product Adaptation: Modifying the product to meet local needs. For example, McDonald's offers different menus in different countries, such as *McSpicy Paneer* in India or *Teriyaki Burger* in Japan.
 - b. **Product Standardisation:** Using one version of a product across all markets for cost efficiency. However, this may not always be effective if the product does not suit local preferences.
- **3.** Glocalisation: The concept of glocalisation combines global elements with local adaptations. It involves:
 - a. Devising a marketing strategy that considers the local context while still maintaining the global brand identity.

²⁶ Pankaj Ghemawat, "Managing Differences: The Central Challenge of Global Strategy," *Harvard Business Review* 85 (April 1, 2007): 58-68,140.

²⁷ Tiina Jokinen, "Global Leadership Competencies: A Review and Discussion," *Journal of European Industrial Training* 29 (April 1, 2005): 199–216, https://doi.org/10.1108/03090590510591085.

²⁸ Vincentius Rachmadi Parmono Silvano Kevin Oktavian, "Glocalisation in Practice: A Case Study of Mcdonald's and Burger King's Adaptation in the Indonesian Fast Food Market," *Jurnal Transaksi Vol. 15, No. 2* 15, no. 2 (2023): 2.

- b. Adapting marketing communications to suit the local language and culture.
- **4.** Collaboration with Local Suppliers: Collaborating with local suppliers can help companies understand the market better and reduce the risk of supply disruptions. It also allows companies to:
 - a. Access raw materials that are better suited to local needs.
 - b. Build strong relationships with local communities, enhancing brand reputation.
- **5.** Use of Technology and Data: Leveraging technology to collect and analyse market data is essential. This includes:
 - a. Using data analysis algorithms to understand consumer trends and local preferences.
 - b. Utilising translation technology to ensure that all marketing materials can be understood by local audiences.
- **6. Responsive to Feedback:** Leaders should be responsive to feedback from local consumers. By listening to customer feedback, companies can:
 - a. Customise products or services based on actual preferences.
 - b. Build customer loyalty through active engagement and open communication.
- **7. Product and Service Diversification:** Product or service diversification can help companies reduce the risk of dependence on one particular market or product. By offering a variety of choices, companies can:
 - a. Customise their offerings to meet specific needs in different markets.
 - b. Increase resilience to economic fluctuations in one country.

Global leaders face the intricate challenge of balancing global objectives with localized adaptations. By comprehending market-specific cultures and consumer preferences, implementing strategies for product adaptation, collaborating with local suppliers, harnessing technology, attentively responding to feedback, and diversifying product offerings, companies can develop products that hold global relevance while aligning with local consumer expectations. This strategic approach not only enhances customer satisfaction but also fortifies the company's competitive stance in the international marketplace.

Innovation in Global Leadership

Innovation is the key to global business success. Successful global leaders encourage innovation by creating a work environment that supports creativity and the sharing of ideas across

borders. Global leadership facilitates knowledge transfer between different countries, which enables companies to adopt new technologies and processes relevant to global and local market needs.²⁹

Global leaders also utilise digital technologies to create global innovation networks. For example, Microsoft, under the leadership of Satya Nadella, has integrated cloud technology and AI in their global strategy, which helps the company remain competitive in the highly dynamic global technology market.³⁰ The following is an explanation of these methods:³¹

1. Market Needs Identification

- a. **Market Analysis**: Companies should conduct an in-depth analysis of market trends, consumer behaviour, and specific needs at both local and global levels. This includes understanding customer preferences, changes in demand, and challenges facing the industry. For example, companies can use data analytics to gain better insights into consumer behaviour and identify new opportunities.
- b. Current Technology Overview: Knowing the latest relevant technologies is essential. Companies need to keep up with technologies such as artificial intelligence (AI), Internet of Things (IoT), and blockchain that can improve operational efficiency and customer experience. With the adoption of these technologies, companies can respond quickly to changes in the market.
- 2. Technology Implementation
 - a. **Digital Transformation**: Digital transformation is an important step in integrating new technologies into all aspects of the business. It includes migration to cloud computing, use of automation tools, and implementation of data-driven management systems. This transformation not only improves efficiency but also enables companies to adapt quickly to changing market demands.
 - b. **Investment in New Technology**: Companies need to invest in technologies that can improve productivity and efficiency. For example, the use of robotics in the manufacturing process can reduce dependence on manual labour and increase production speed. In addition, the implementation of big data allows companies to analyse information in real-time for better decision-making.

²⁹ C Prahalad and Gary Hamel, "The Core Competence of Corporation," in *Harvard Business Review*, vol. 69, 2006, 275–92, https://doi.org/10.1007/3-540-30763-X_14.

³⁰ K Amissah, "The Transformational Leader Driving The Resurgance Of Microsoft" (PELE, 2024), https://perbiexecutive.com/satya-nadella-the-transformational-leader-driving-the-resurgence-of-microsoft/.

³¹ AWS, "What Is Digital Transformation?" (Amazon, 2024), https://aws.amazon.com/id/what-is/digital-transformation/.

3. Evaluation of Results

- a. **Performance Measurement**: After implementing a new technology, companies should routinely evaluate performance to ensure that the adoption of the technology is delivering the expected results. This includes measuring productivity improvements, cost efficiency, and customer satisfaction. If the results are not as expected, the company should be ready to make adjustments or look for alternative solutions.
- b. **Continuous Adaptation**: The ever-changing business world requires companies to adapt on an ongoing basis. Therefore, it is important for companies to stay abreast of the latest technology trends and innovate continuously to remain competitive in the global market.

Challenges in Global Leadership and Business

The main challenges faced by global leaders are cultural differences, complex regulations, and political risks.³² For example, global leaders must ensure that their companies comply with the laws and regulations of each country in which they operate, which often differ significantly from one another. Failure to comply with local regulations can lead to large fines and even closure of operations in that country.³³ Here are some of the ways in which factors such as government policy changes, trade wars or economic crises can affect global businesses:

- Policy and Regulatory Uncertainty: Sudden policy changes, such as tax regulations, trade rules, or operational restrictions, can disrupt a company's supply and distribution chains. For example, changes in trade regulations may require companies to pay higher tariffs or face new import-export restrictions, directly increasing costs and decreasing operational efficiency.
- 2. Trade Wars and High Tariffs: When countries impose tariffs and trade restrictions on each other as part of a trade war, costs for raw materials or finished products can soar. This can make it difficult for companies to compete globally as the price of their products may be higher than competitors from countries not affected by the tariffs. Companies may need to find alternative suppliers, which may take time and incur additional costs.
- 3. Exchange Rate Fluctuations and Economic Crises: When the global economy faces a crisis, currency values often become volatile. For companies with cross-border operations, these exchange rate fluctuations can affect raw material prices, profit margins, and previously agreed contract values. Economic crises also tend to reduce the purchasing power of

³² G Hofstede, Culture's Consequences: International Differences in Work-Related Values, 1980.

³³ F. Trompenaars and C Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business.*, 1997.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

consumers in different countries, so international demand for products or services may decrease significantly.

- 4. Risk of Social and Political Instability: Political crises or social tensions in certain countries may create uncertainty for foreign investments. Companies may have difficulty maintaining operations in high-risk countries, and may even have to close offices or cease business activities. This instability may also threaten the safety of company employees and assets, forcing companies to allocate additional resources for security and risk mitigation.
- 5. Decrease in Foreign Investment: Political uncertainty can make foreign investors hesitant to invest in countries that are considered high-risk. This can limit a business's opportunity to expand through external investment, either through partners or loans that may be difficult to secure in an unstable environment. This lack of investment can affect a company's capacity to expand and improve its competitiveness in the global market.
- 6. Costly and Complex Strategic Adaptations: In the face of instability, global companies often need to adjust their business strategies, which can be costly and take time. This includes changes to supply chains, pricing adjustments, or additional investments in market research to tailor products or services according to the dynamic environment. These adaptations often require substantial resources and can impact short-term profitability.

Overall, the volatile political environment magnifies global business risks, forcing companies to constantly monitor and adjust their strategies in order to maintain operational viability and competitiveness in this challenging market.

Organizations often encounter difficulties in aligning diverse cultural perspectives within their teams, which can lead to misunderstandings and conflicts. Anlesinya et al. highlight that cultural differences significantly impact global talent management, leading to issues such as high turnover rates and challenges in expatriate adjustment.³⁴ Furthermore, the need for a global mindset is emphasized by Cohen, who argues that effective global leadership requires an understanding of and sensitivity to different cultural contexts.³⁵ This cultural adaptability is crucial for fostering collaboration and innovation in multinational teams.

In addition, unstable political environments, such as changes in government policies, trade wars, or economic crises, can negatively impact global businesses. A global leader must possess deep strategic intelligence, enabling them to quickly and appropriately respond to changes in market

³⁴ Alex Anlesinya, Kwasi Dartey-Baah, and Kwesi Amponsah-Tawiah, "A Review of Empirical Research on Global Talent Management," *FIIB Business Review* 8, no. 2 (April 15, 2019): 147–60, https://doi.org/10.1177/2319714519836306.

³⁵ Stephen L Cohen, "Effective Global Leadership Requires a Global Mindset," *Industrial and Commercial Training* 42, no. 1 (January 1, 2010): 3–10, https://doi.org/10.1108/00197851011013652.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

dynamics, technology or regulation that may affect the company's operations. In addition, global leaders must be able to identify potential emerging risks and take immediate anticipatory steps to minimise the negative impact on the company's performance. With this expertise, they not only protect the company from existing threats but are also able to capture new opportunities that can increase competitiveness in the global market. In this era of rapid change, a leader's strategic intelligence is an important asset in maintaining business continuity and building a foundation for sustainable growth.³⁶

Several specific strategies can be implemented to address these challenges effectively. First, monitor government policies by keeping abreast of regulatory developments pertinent to the business, and prepare proactive responses to any significant regulatory changes. Second, assess tariff impacts by conducting a comprehensive analysis of tariff effects on the supply chain and developing an efficient distribution strategy to minimize logistics costs. Third, manage currency risk through contractual hedging by using derivatives like forward contracts or options to mitigate exchange rate volatility.³⁷

Fourth, conduct public opinion surveys to gauge socio-political sentiments and devise a realistic adaptation plan informed by survey insights. Fifth, prioritize local market promotion efforts to reduce reliance on foreign investors, strengthening domestic market penetration. Finally, strategically allocate budgets, focusing resources on programs that enhance the company's flexibility and adaptability. By adopting these strategies, companies can strengthen their readiness to navigate the challenges posed by global uncertainties.³⁸

CONCLUSION

Based on the research results, it can be concluded that Global leadership plays a vital role in navigating the complexities of international business environments. Leaders must develop competencies such as cultural intelligence, strategic vision, and adaptability to ensure their organizations succeed in diverse global settings. To be effective, global leaders require a set of skills that extend beyond traditional leadership, including innovation, risk management, and crosscultural communication. These capabilities are essential for managing diverse teams, adjusting to cultural variances, and capitalizing on global market opportunities.

The influence of global leadership on organizational performance is significant, directly affecting indicators such as market share, customer satisfaction, and employee engagement. Leaders

³⁶ Y Doz and C Prahalad, "Managing DMNCs: A Search for a New Paradigm," *Strategic Management Journal* 12 (February 16, 2007): 145–64, https://doi.org/10.1002/smj.4250120911.

³⁷ Shidarta Shidarta, "Global Uncertainty and the Legal Higher Education Response," *Veritas et Justitia* 8, no. 1 (2022): 1–24, https://doi.org/10.25123/vej.v8i1.5674.

³⁸ Shidarta.

Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan Vol. 19, No. 3 Mei - Juni 2025

who skillfully integrate global strategies with local adaptations strengthen organizational resilience and enhance competitiveness within the international marketplace. In addressing contemporary challenges, global leaders need to be equipped to respond to rapid technological shifts, regulatory transformations, and political volatility. These conditions require strategic insight and the capacity to implement flexible strategies that align with dynamic global developments.

SUGGESTIONS

This study suggests that Organizations should allocate resources toward leadership training programs aimed at building global competencies, including cultural agility, decision-making in uncertain contexts, and ethical leadership. Such programs will develop leaders adept at managing operations across borders. To address regulatory and market variability across regions, companies should implement frameworks that monitor these shifts. Responding proactively to policy adjustments and socio-political changes can reduce the risks inherent in global operations.

Fostering a culture of innovation and collaboration within multinational teams enhances both productivity and creativity. Utilizing technology-driven solutions can streamline communication and facilitate knowledge exchange among teams operating in different locations. Organizations should also prioritize budgets for strategic initiatives that enhance adaptability and resilience. Developing contingency strategies and diversifying product lines enables companies to better navigate economic and political fluctuations within the global marketplace. Collectively, these approaches offer a robust framework for elevating global leadership effectiveness and driving organizational success in a deeply interconnected business landscape.

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