Global leadership as a driver of corporate coherence

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Abstract
We advance our understanding of corporate coherence by specifically focusing on how coherence can be enacted by global leaders to support strategy implementation in a global organization. Based on our theorizing and our illustrative case study, we suggest five steps that may help managers design and initiate corporate coherence programs. We also suggest an agenda for future research, which specifically focuses on the need to adopt a multi-level research logic in future research on global leadership and corporate coherence.

Introduction
Global competition, increasing complexity, uncertainty, market turbulence, the speed of change, diversity, sustainability, customer and employee sophistication, regulation, transparency in communication, polarities and multiple time horizons, as well as the changing expectations of the workforce are just some of the business realities facing multinational corporations (MNCs) (Conference Board, 2010). Only those organizations that can coherently orchestrate their responses to business realities worldwide can manage these multi-dimensional pressures and maintain the effectiveness of their strategies (Hambrick, 1997, 2007). In this paper, we further operationalize the notion of coherence in the global organization, while focusing on how coherence can be enacted to support strategy implementation.

The implementation of strategy across an MNC requires the existence of “one organization”, i.e. a unified global organization with one common strategic purpose and aligned internal processes that support strategy implementation while accommodating responsive initiatives from individuals, regardless of where they are located. In this regard, the concept of corporate coherence has been gaining importance (Hambrick, 2007; Leinwand and Mainardi, 2010, 2011; Nesta and Saviotti, 2005; Piscitello, 2004; Teece et al. 1994; Valvano and Vannoni, 2003). Leinwand and Mainardi (2010, p. 2) explain that “coherence creates alignment between strategic intent and day-to-day decision making”, and postulate that “in a messy, confusing world, coherent companies
execute better and faster because everyone in the organization understands what’s important”. The authors claim that coherent companies show greater profitability, which they call “the coherence premium”. Others assert that coherence contributes to improved innovative performance and a competitive advantage over non-coherent companies (Nesta and Saviotti, 2005; Piscitello, 2004; Powell, 1992). Yet, the question of how coherence is enacted in strategy implementation within MNCs remains largely ignored. Clearly, given the increasingly critical role of leaders in aligning processes and people throughout global organizations (Kotter, 2001), more attention must be paid to the role of global leadership in enacting corporate coherence. Yet, according to Osland (2008), research into global leadership behaviour is limited.

In this paper, we develop a conceptual framework that describes the role global leaders play in creating and maintaining the corporate coherence that is necessary for effective strategy implementation within MNCs. For empirical illustration, we rely on an illustrative case study of a Danish MNC that developed and introduced a corporate coherence program to support its strategy implementation process. This MNC was chosen because the introduction of a corporate coherence program in this company was closely linked to global leaders. The case therefore offers an opportunity to explore and identify the role of global leaders in the enactment of corporate coherence, i.e. their role in translating strategic intent, mediating and allocating resources for strategy implementation, and initiating autonomous initiatives.

The rest of the paper is structured in the following way. First, we theorize about corporate coherence and global leadership. We then consider insights gained from the illustrative case study. Based on our theorizing and empirical inspiration, we develop three theoretical propositions on the role of global leaders in building and maintaining corporate coherence. We suggest an agenda for future research, which specifically focuses on the need to adopt a multi-level research logic and the importance of theorizing about organizational mechanisms that could support global leaders in their efforts to build a coherent organization for strategy implementation. We also discuss some practical implications for organizations striving to achieve and implement corporate coherence across their globally dispersed organizations.

Why coherence?
The concept of corporate coherence originated in the diversification literature. Teece et al. (1994) were the first to define the corporate coherence concept, referring to it as the ability of a multiproduct, divisionalised firm to generate and exploit synergies of various types. Others have built on the concept and have proposed a more dynamic view (Piscitello, 2004). For example, Piscitello (2004) focuses on the dynamic interconnectedness between a company’s technological competencies and its downstream activities as a means for creating corporate coherence.
Recently, the concept has been utilized in the strategic management literature to refer to a means of aligning a set of company-specific capabilities for the purpose of achieving premium returns. Leinwand and Mainardi (2010, 2011) propose a capability-driven program as a means for creating corporate coherence. Such a program aligns a set of three to six differentiated internal capabilities with the right external market position. The authors define the concept of coherence as follows “A company becomes coherent only when its capabilities system is consciously chosen and implemented to support a focused strategic purpose, or way to play, and is aligned with the right product and service portfolio” (Leinwand and Mainardi, 2010, p. 2). Even though Leinwand and Mainardi state that a company’s capabilities system must be consciously chosen and implemented to support a strategic purpose, their main focus is on strategy development rather than strategy implementation. Therefore, the roadmap that Leinwand and Mainardi (2011) provide for strategy implementation is grounded in the rational assumption that once top management has developed and dictated a strategy, the rest of the organization will mechanically adopt it.

This approach has been heavily criticized in recent strategic management literature (Martin, 2010), as it is not strategy formation per se but rather strategy implementation that poses the greatest challenge for MNCs (Bossidy and Charan, 2002; Johnson, 2004; Morgan et al., 2007; Syrett, 2007). Wood and Petriglieri (2004, p. 52) point out that “… [organizational] failures stem from a reliance on linear rational thinking and an ignorance of the covert and unconscious emotional forces that influence the exercise of leadership”.

**Why global leadership?**

We argue that coherence initiatives are designed, implemented, translated, mediated, negotiated and facilitated by individual leaders who are responsible for aligning people and processes towards strategy implementation (Kotter, 2001). While organizations standardize and integrate operations worldwide, leaders translate strategic intent into day-to-day decision making (Brousseau et al., 2006; Mintzberg, 2011). Leaders tie it all together – they clarify and manifest the roles that individuals play, they utilize a variety of mechanisms to motivate employee behaviour, and they have an influence on the drivers that can support or obstruct coherence outcomes. Although this might appear straightforward in a strategic plan, it is rather complicated in reality, as it involves real people with potentially conflicting agendas who are operating in diverse environments (Goldsmith, 2009).

Hambrick (1997, 2007) proposes the top management team as the critical actor in achieving corporate coherence. He claims that a firm’s strategic performance depends on the sum of characteristics, behaviours and experiences of the entire senior executive group (Hambrick, 1997, 2007). Leinwand and Mainardi (2011) view the members
of the senior management team as the central actors, in combination with the core team. Yet, these authors ignore the remaining leaders as influential factors in the coherence equation in terms of encouraging employee behaviour that leads to collective coherence outcomes. Undoubtedly, top management sets the strategic direction, but it is the individual leaders who ensure that the activities across the organization effectively interlock and reinforce each other (Goldsmith, 2009). To illustrate this, the perfectly coherent organization can be compared to a well-lubricated gearbox. The individual cogs (leaders) are all interconnected and, as the organization needs to shift gears (e.g. implement a coherence initiative), all cogs (leaders) must engage simultaneously to allow for the optimal flow of power and changes in speed. The failure of individual cogs (leaders) to comply will inevitably lead to the failure of the whole unit.

Hence, the way in which coherence is enacted for strategy implementation and, more precisely, the role leaders play in creating and sustaining corporate coherence are still unanswered questions. Specifically, the existing line of thinking does not explain: (1) the role that individual leaders play, (2) the causal mechanisms that translate strategic intent into day-to-day decision making or (3) the drivers that support or the barriers that obstruct collective coherence outcomes. This paper aims to address these shortcomings. Through an exploratory case study, we examine how corporate coherence is implemented in a MNC and the role that global leaders (below top management) play in translating strategic intent into day-to-day decisions.

**Empirical illustration**

**Briefly on methods**

This research is based on descriptive theory, which attempts to explain leadership processes, describe the typical activities that leaders engage in and explain why certain behaviours occur in particular situations (Yukl, 2006).

Interviews were the main method of data collection. Other data sources were participant and group observations and archival material. Both formal and informal interviews were carried out of which six alone were with the two program managers, the Chief Information Officer (Program Manager 1, CIO) and Vice President Business Process Management (Program Manager 2, VP) directly responsible for the coherence program. The two program managers were selected because they were the driving force behind a standardization of business processes in BRIDGE, the case company, and thus achieving business excellence, one of BRIDGE’s strategic pillars. Interviews were typically open ended. In addition, one of the authors shadowed one program manager on various occasions, participated in team meetings and had access to the internal documents on the coherence program, which included strategy documents, internal project descriptions and presentations related to the program. These documents dated back to the project’s launch in early 2011.
Company
BRIDGE is a leading international consulting firm that provides state-of-the-art engineering, environmental science and economics services. Headquartered in Denmark with offices around the world, BRIDGE employs 6,000 people, including engineers, biologists, geologists, economists, surveyors, anthropologists, sociologists and architects, in more than 30 countries.

BRIDGE’s local presence is a prerequisite for competitive players in the global marketplace, a criterion that BRIDGE has attempted to fulfil through regionalization. BRIDGE is currently organized into four regions: Denmark, Norway, Sweden and the Gulf. In addition, it is organised in two major business lines exclusively for developing markets.

The Group’s parent company, BRIDGE Holding A/S, is an unlisted Danish company owned by the BRIDGE Foundation (appr. ¾ of share capital), as well as present and former employees (appr. ¼ of share capital). In 2010, BRIDGE had net profit of DKK 4,461.5m, operating profit (EBIT) of DKK 131.9m and an operating profit margin of 3%. Net turnover increased by 5% quarter-on-quarter in 2011 (corporate web).

Corporate coherence in BRIDGE
BRIDGE’s corporate strategy “Building Our Bridge for the Future” was launched in late 2010 with a new organizational structure taking effect on 1 January 2011. The overarching themes of the strategy are “market position” and “mega projects”. As one interviewee explained:

To get those larger projects (such as to build the world’s largest suspension bridge between Sicily and mainland Italy), you need to be big. You will never be pre-qualified to make an offer for such a project if you do not have critical mass.
We have a growth strategy – an aggressive growth strategy – and if you do not earn money, and enough of it, it is difficult to grow. What has surprised me when I started to work in BRIDGE is the lack of focus on the money part.

As stressed by the Group Management Board (BRIDGE’s top management) in the strategy, the success of the strategy implementation and organizational well-being in general are highly dependent on whether there is a unified global organization with a common strategic purpose and aligned internal processes. As Program Manager 1 (CIO) stated:

If we optimize our way of working and focus more on processes, we will be able to earn more money.
The world is changing very fast and we need to be better at responding. Today we have a spaghetti organization ... you have to ask 20 people about a decision and those 20 people never agree. It takes a long time to make a decision. What we are looking at now is to optimize our internal way of working.

With this goal in mind, the Group Management Board initiated a transformation towards a “One Company Network”: “BRIDGE is a network that consists of many companies around the world, but we want our customers to perceive us as a ‘One Company Network’” (corporate web). To implement the strategy required a transformation and according to a BRIDGE Executive “changes in the way BRIDGE’s business was managed” in terms of streamlining BRIDGE’s business model, processes and tools (Program Manager 1, CIO). The transformation initiative was communicated in late 2010 and was well received by employees. Program Manager 2 (VP Business Process Management) expressed it that way:

Trying to structure some of the organization based on processes would benefit BRIDGE. It is easier to optimize processes than to optimize a complete organization.

Under this strategic umbrella, a new corporate (coherence) program, named the Business Process Management project, was initiated by the Group Management Board in early 2011. The goal of the project was to achieve operational excellence and cost efficiency through the optimization of internal business processes.

We began to identify the foundations of the Business Process Management project when I introduced the IT strategy. In IT, we proposed moving from local processes towards shared processes and systems. Such a move subsequently changes who owns the local process or the system (Program Manager 1, CIO).

Two program managers were appointed to design and initiate the coherence program. Both were senior managers – the Chief Information Officer (CIO) and the Vice President Business Process Management – and had extensive experience in aligning and optimizing business processes on a global scale. The program managers saw tremendous potential for BRIDGE and understood the significance of the program for strategy implementation.

We are looking at optimizing our internal way of working and thus saving costs, as currently processes are duplicated across the organization which is not optimal. (Program Manager 2, VP)
There are many small players [competitors] in our market, but in order to become a large player – which is what we want – it is necessary to focus on global processes in our efforts to optimize the business. Otherwise, BRIDGE will be unable to succeed. (Program Manager 1, CIO)

The Business Process Management project was designed by the two program managers and focused on:

1. **Ownership and coordination.** One project aim was to clarify business process ownership, and empower business process managers (BPMs) to coordinate and achieve targets across traditional organizational boundaries. The project also aimed to support the management of issues concerning the implementation of local and shared business processes across existing management structures, e.g. sites, business units and regions. This involved coordination, the prioritization of development activities, continuous process improvement and the linking of business with IT.

2. **Operational excellence while aligning local and shared processes.** The project was designed to secure the alignment of local and shared business processes with corporate strategies and business objectives. This structured approach employed methods, policies, metrics, management practices and software tools to manage and continuously optimize the organization’s activities, processes and technologies.

3. **Securing sufficient agility in the acknowledgement of strategic demands.** The project aimed for the introduction of management practices that would move the governance of the business process environment toward the goal of improved agility and operational performance.

The project was backed by the Group Management Board, which also approved the three goals of the program.

The Group Management Board has agreed that we need to establish a Business Process Management Organization with the Board as the direct sponsor. (Program Manager 1, CIO)

Everyone involved in the project understood that the implementation of such a program could be an uphill battle due to the fact that the organisation until now was rather decentralized with a strong focus on the different businesses areas. The employee representatives pointed out the following challenges:

We are on our way towards structuring things in a more process-oriented way. However, this will take some time.
Our main challenge is that there are plenty of people who carry out their activities almost out of habit. It takes time to change those habits into new ways of thinking.

I think we have been too focused on our technical knowledge. At times, we have delivered more than the customer had asked for or expected. We need to be sharper at being compensated for our good ideas... but that requires a change in mindset. (Program Manager 1, CIO)

The project’s implementation began with the identification of powerful key individuals who could make business process decisions across the organization and the following competencies and skills were highlighted:

We need somebody with power and charisma in these positions.
They need to be ok with not always being the ‘most popular person’ in the organization.
They should be good at listening, communicating and selling in. (Program Manager 2, VP)

In their role as global process leaders, these individuals had to be able to abstract from their local and/or functional focus in order to balance the organizational demands from the local and global perspectives. This required that they work effectively across functional, national and organizational boundaries, and that they had both the authority and the switching capabilities necessary to make decisions that supported the overall strategy, which focused on shared processes and, thus, cost efficiency.

The BPMs play an important, coordinating role. (Program Manager 1, CIO)

Seven Business Process Managers (BPMs) were identified and appointed to the project. Together with the two program managers, they constituted the core group of the Business Process Management programme. Part of this group is a newly appointed Operational Excellence Director who was hired because top management has a strong focus on strategic process management in order to achieve operational excellence. Almost all BPMs were Danish, and all were located at BRIDGE’s headquarter in Denmark. The only foreigner was Swedish. According to the respondents, these BPMs were selected on the basis of their functional expertise. They were made responsible for ensuring the progress and implementation of the project in their respective functional areas (Group Performance Management; Marketing and Sales; Projects, including planning, finance, production, finance, and resource management; Quality Assurance and Risk Management; Business Financial Management; HR Management; and Communication and Knowledge Management).
Now we are moving into another phase of the project in which we will interact a bit more with our new Operational Excellence Director in order for him to take more responsibility for getting the project rolled out. (Program Manager 2, VP)

The next step in the program’s implementation – and the first task for the appointed BPMs – was to translate the Business Process Management strategy to fit the respective functional areas in ways “that [were] good from a global perspective but also [took] care of local requirements” (Program Manager 2, VP). The task was to create meaning out of the strategy” for the specific businesses by “identifying process ownership and coordination, prioritizing development activities and securing continuous process improvements. As Program Manager 2 (VP) said:

I want the BPMs to be involved and to take ownership of the project.

To have a global impact, BPMs could not focus exclusively on their own functional areas. The processes had to be linked with each other and span organizational boundaries. The next step in the project thus required mediation between the businesses. This mediation process required a great deal of horizontal coordination, lateral communication and knowledge sharing:

In order to change the organization, you need to be able to talk and work together. Today, we cannot work together because we rely on different systems and have different processes. (Program Manager 1, CIO)

At this stage, the BPMs were expected to play a crucial role, as “the real challenge of the project [was] to get the business on board” (Program Manager 1, CIO). However, even in the planning stage, it was clear that this was not going to be easy.

Our problem is that we [BPMs] are on too high of an (organizational) level. We need to decide how to involve the layer below because they do not feel involved. There is no doubt in my mind that we need to get senior managers involved and educate them in BPM, and the project’s goals and structure, as well as their roles and responsibilities. These managers are going to play a crucial role in informing their line management and bringing those managers on board. We need to create all of the necessary materials and integrate them into the organization. It will take a year before everything is up and running full speed.

We need the Senior Vice Presidents and Vice Presidents to accept this model, and to work for the model rather than against it. (Program Manager 2, VP)
I am concerned about our internal processes and our way of thinking. The project is a change management project and things are not the same here as I am used to. Usually, when you are the CEO of a company, you shout a little and everyone will follow what you are saying. This is not the case in this organization. (Program Manager 1, CIO)

My nightmare scenario is that the senior middle managers will not accept the Business Process Management project. (Program Manager 2, VP)

Thus, the allocation of roles and responsibilities, combined with communication and training, were regarded as elements vital to the success of the Business Process Management project.

The initiatives introduced throughout the organization as a consequence of this approach might be seen as trial and error experiments that tested the effectiveness of different ways of implementing coherence programs. The BPMs needed to ensure that new experiences, capabilities and strategic insights derived from business process initiatives were brought to the attention of the Group Management Board for further consideration and, perhaps, as inspiration for the periodic strategy discussions. Hence, the BPMS were expected to play the role of initiators of the bottom-up feedback loop. BPMs were therefore required to create an environment in which line managers were comfortable reflecting on their experiences, evaluating the effectiveness of the coherence program and suggesting autonomous initiatives when needed. However, BRIDGE’s culture was characterized by endless debates and the fact that “nobody dared to make any decisions” without taking suggested decisions right to the top, i.e. the Group Management Board.

I think it is due to the engineering culture – you can’t make a wrong decision because the bridge might collapse.
In my opinion, the CEO took too much responsibility regarding operational issues. Each time there was a larger change in a system, our structure or the organisation, all decisions had to go to the top of the organization. Of course, the managing director does not have the insight or the time to manage operational issues. (Program Manager 1, CIO)

The communication of the project and its goals to the entire global organization, as well as implementation of the project in the business areas, was scheduled for the second quarter of 2012.
Discussion

There is a general consensus that an MNC’s ability to respond and appropriately adapt its global strategy to changing conditions hinges upon the organization’s ability to facilitate autonomous initiatives among individual managers. This is particularly true in organizations with decentralized, non-hierarchical corporate structures. However, general direction and coordination remain important for economic efficiency, and suggest a need for integrative strategy processes that combine decentralized, emergent strategy making with centralized, intended strategy making.

To accommodate both autonomous and induced strategies, an MNC should have capabilities systems – human resources, knowledge, managerial tools and processes – that are tightly aligned with its product and service portfolios, and streamlined towards a common strategic purpose. Clearly, to ensure strategy implementation in a responsive-integrative manner, the corporate “hardware” (structure, value chain, etc.) must be in place, but that “hardware” will only function if the “software” is coherent. For this reason, modern MNCs – like BRIDGE – invest a significant amount of resources in initiating, developing and implementing corporate coherence programs, such as Business Process Management.

Corporate coherence is a result of conscious managerial choices and the output of managerial actions. A move towards corporate coherence starts with the strategic intent formulated by the top management. The intent is to inject coherence thinking in the day-to-day decision making of line managers, regardless of whether they are following top-down directives or working on their own autonomous initiatives. To become operationalisable, the corporate coherence program should have a mission, an overarching goal, that is closely intertwined with the overall business strategy. In BRIDGE’s case, the goal of “One Company Network” was a part of the corporate strategy. A clearly defined mission is sine quo non for the enactment of corporate coherence programs, as it provides insight and inspiration for subsequent decisions on the design and development of a coherence program.

Are there any must-have elements of corporate coherence programs? BRIDGE’s experience highlights at least three:

1. Coherent capabilities to support a discourse in which managers across an organization engage in systematic, analysis-based discussions about the future strategic development of the corporation (Hendry, 2000). In some instances, this discourse can lead to overarching corporate actions (e.g. to implement the formalized plan), while in others it serves as an informative road map for ongoing strategic navigation (Andersen and Minbaeva, 2012).
2. Coherent capabilities to support autonomous initiatives. Such initiatives might include improvisation and experimentation among line managers related to new business activities that, in light of changing environmental conditions, may turn out to be effective strategic responses. These autonomous initiatives are developed through lateral co-ordination among managers in different functional areas rather than through top-down directives (Andersen, 2005; Andersen and Segars, 2001).

3. Coherence capabilities that glue (1) and (2) together. Corporate coherence accommodates both top management’s need to heighten strategic understanding and the need to act autonomously on all levels in order to sustain the organization’s agility globally.

Undoubtedly, the most challenging part of any coherence program is the third part. This was clearly the case for BRIDGE, where “ownership and coordination” were identified as cornerstones of the Business Process Management project. The program managers talked about the need to fight against the “local focus in business”, which did not allow line managers to “see other parts of the company”.

However, as we argue above, implementation is more important than the plan itself. How can corporate coherence programs be enacted? We view global leaders as cogs that allow organizations to shift gears (see our “gearbox” analogy above). One might then ask what exactly is expected of these global leaders? The BRIDGE respondents stressed the importance of clearly defined roles and the responsibility of global leaders to ensure that corporate coherence does not become “just a side project”. What, then, are the roles and responsibilities of global leaders in the enactment of corporate coherence? We argue that global leaders have three main roles in the implementation of corporate coherence programs:

- Translating, which involves sensemaking and sensegiving to others through meaning and knowledge dissemination,
- Mediating, which involves relational coordination, and
- Initiating, which involves taking action and delivering results.

The translation of strategic intent in MNCs involves both “sensemaking” (Weick, 1995) and “sensegiving” (Gioia and Chittipeddi, 1991). Sensemaking is a critical organizational activity that is particularly important in dynamic and turbulent contexts because, in such contexts, there is a need to create and maintain a coherent understanding that enables collective action (Maitlis, 2005). Maitlis and Lawrence (2007) add that complex sensemaking environments create occasions for leader sensegiving. Sensegiving is an important activity for global leaders who try to influence the interpretations of others in an effort to affect their decision making towards a common strategy. Managers and employees at the lower levels of an organization typically lack
the perspective and confidence needed to maintain strategy. They are under constant pressure to compromise on strategy and make trade-offs in their day-to-day decisions (Porter, 1996). Thus, global leaders need to teach others in the organization about strategy and prioritization, taking local and global concerns into account, but striving for corporate coherence. Leaders must communicate strategic intent and related issues to their followers to enable them to make sense of their current situation. Sensegiving provides employees with anchors indicating what to prioritize in a given situation. Sensemaking and sensegiving are, therefore, regarded as particularly relevant for studying the role of global leaders in achieving corporate coherence, as these leaders work in dynamic environments with often divergent local and global elements.

After leaders have made sense of the overall strategic intent and its implications for their individual businesses, their next step in creating and sustaining corporate coherence is mediating the relationships between managers and employees. In the literature this is often referred to as relational coordination. Theory of relational coordination theory argues that coordination is not just the management of interdependencies among tasks – it is also the management of interdependencies among the people who perform those tasks. Relational coordination is therefore a mutually reinforcing process of communicating and relating for the purpose of task integration. It pays close attention to the quality of communication and relationships among participants (Gittell, 2002). Together, these dimensions form the basis for coordinated collective action (Gittell, 2002). Gittell et al. (2010) claim that relationships based on shared goals, shared knowledge, and mutual respect enable employees from different functions to coordinate work because they support frequent, timely, problem-solving communication among those employees. Relational coordination thus enables more consistent communication and a reduction in the probability of error, leading to higher-quality outcomes (Gittell et al., 2010). Relational coordination is particularly important for achieving desirable performance outcomes under conditions of task interdependence, uncertainty and time-constraints (Gittell, 2002), all conditions present in global MNCs.

Lastly, strategy implementation requires organizational members dispersed throughout the global organization to be able to act in response to emerging environmental changes. The crucial role of the global leader is to initiate conditions in which lower-level managers autonomously initiate various events needed for successful strategy implementation, e.g., modify products and services, pursue new customer segments, develop new competencies or adopt new practices.

After clarifying the roles and responsibilities, the next crucial step is identifying and selecting the right people to handle the various tasks. Not all managers are leaders and not all leaders are global leaders. Individuals selected for these jobs should have the global leadership competencies necessary to support their roles of translating, me-
mediating and initiating in the implementation of corporate coherence. For BRIDGE, the identification of such individuals proved to be the most difficult step. At this stage, program managers realized the importance of having people with “enough power and influence”, “previous experience with such programs”, “not only Danes” (i.e. international), “anchored in business” (i.e. below VP) and a “global mindset”.

There are number of leadership competencies that support what we define as translating, mediating and initiating activities, which we identified in the literature. However, we concur with Leslie et al. (2002), who argue that there are significant differences between domestic and global leadership competencies. According to Leslie et al., global leaders can be differentiated from a domestic leader on the basis of their skills as negotiators and innovators, their business knowledge, their international business knowledge, their cultural adaptability, and their ability to understand others’ perspectives. According to Osland (2008), global leadership is evident in: (1) global knowledge; (2) threshold traits, such as integrity, humility, inquisitiveness and resilience; (3) attitudes and orientation, such as a global mindset, cognitive complexity and cosmopolitanism; (4) interpersonal skills, such as mindful communication, the creation and building of trust, and multicultural teaming; and (5) systems skills, such as ethical decision making, and the ability to influence stakeholders, lead change, span boundaries, engage in architecting and build community. The model takes the form of a pyramid, which reflects the point that global leaders must have certain threshold knowledge and traits that serve as the foundation for higher level competencies (Osland, 2008). We also found inspiration in a recent paper by Holt (2011), who identified several global leadership competencies for the future: (1) mega-agility, i.e. learning agility, adaptability and flexibility in dealing with ambiguity; (2) cross-cultural sensibility and a global mindset; (3) the ability to manage information and problems, i.e. manage complex problems, early pattern detection, judgment, analysis, and creative problem solving, and (4) developing talent with skills to lead remote teams.

Finally, we stress the importance of having organizational mechanisms in place that support global leaders in the implementation of corporate coherence. We define organizational mechanisms broadly as “hierarchical and communitarian mechanisms, price-based ‘market-like’ contracts … , but not identity-based, mechanisms” (Grandori, 2001, p.384). Global leaders are expected to play a role that differs from those played by other organizational managers. Therefore, they might need a differentiated organizational architecture to support their role (Lepak and Snell, 2002; Becker and Huselid, 2006). In such a differentiated architecture, some organizational mechanisms (e.g. HRM practices) would be “uniquely fitted” to produce the global leadership behaviour needed to support strategy implementation through the enactment of corporate coherence. In this regard, we are not suggesting “special treatment” for chosen global leaders. Rather, we propose a need to differentiate certain organizational mechanisms with the locus
of differentiation on the job, not the employee (Becker and Huselid, 2006). Clearly, this may result in a mix of core and differentiated HR practices within the same organization. However, as Becker and Huselid argue, “effective strategy implementation is then a function of both core and differentiated fit; the locus of differentiation is the job, not the employee” (p.906; see also Figure 1 in Becker and Huselid, 2006).

We visualise our arguments in Figure 1.

**Figure 1: Global leadership as a driver of corporate coherence**

**Conclusion**

In this paper, we advance our understanding of corporate coherence by specifically focusing on how coherence can be enacted by global leaders to support strategy implementation in MNCs. Based on our theorizing and our illustrative case study, we suggest that in implementing corporate coherence, MNCs should consider five steps:

1. Define the overarching goal of the coherence program and link it closely to the business strategy.
2. Identify elements of the coherence program. We suggest that there should be at least three: (a) coherent capabilities to support a strategic discourse initiated by top management; (b) coherent capabilities to support autonomous initiatives; and (c) coherent capabilities that allow (a) and (b) to take place simultaneously and fuel each other.
3. Clearly define roles and responsibilities. We propose the following roles: (a) translating, which involves own sensemaking and sensegiving to others through meaning and knowledge dissemination, (b) mediating via relational coordination, and (c) initiating and supporting autonomous initiatives.
4. Identify the competencies needed to ensure that global leaders can carry out their translating, mediating and initiating roles in the implementation of corporate coherence.
5. Design a differentiated organizational architecture that supports global leaders in their roles.

The explication of these five steps may help managers design and initiate corporate coherence programs.

The numerous limitations aside, we believe this research is timely. The topic of corporate coherence is of contemporary interest to scholars in strategic management and global leadership, and it is at the top of the agenda among MNCs striving to achieve and implement corporate coherence across globally dispersed organizations.

References


Oxford Dictionaries at www.oxforddictionaries.com


Notes:

1. Currently, no common definition of coherence exists in the literature. In general, coherence refers to “the quality of forming a unified whole” (www.oxforddictionaries.com).

2. A capability is the interconnection of people, knowledge, IT, tools and processes that enables a company to out-execute rivals on some important measure (Leinwand and Mainardi, 2010).

3. A capabilities system is a set of three to six mutually reinforcing capabilities. The authors argue that one or two superior capabilities are not enough to produce the coherence premium (Leinwand and Mainardi, 2010).

4. The way to play is defined as the way the company creates value for customers, which is understood by executives, managers and employees at every level (Leinwand and Mainardi, 2010).

5. One problem with this approach is the need to ensure that employees at every level make decisions that lead to realization of the desired strategy (Martin, 2010).

6. The name is disguised

7. Unless otherwise specified, all quotes included in this section are from interviews with program managers.

8. BRIDGE’s Group Management Board consists of the Chief Executive Officer; the Chief Financial Officer; the Chief Market Officer; the Regional Vice Presidents for Denmark, the Gulf, Norway, and Sweden; the Senior Vice President for Bridge, Tunnel & Marine Structures; and the Senior Vice President for People, Relations & Responsibility.