

Adaptive Leadership Management Style In Ensuring The Executive Performance Of MNC Of Japan To Solve Global Challenges In The Indian Market

Dr. Chandibai Potsangbam

Assistant Professor cum Research Officer Manipur International
University (MIU)

Abstract

Adaptive leadership styles are necessary in today's global business environment for managing obstacles. This research explores the importance of adaptive leadership in Japanese multinational corporations (MNCs), with a focus on how it could enhance CEO performance in the face of global problems in the Indian market. This research attempts to provide insights into how adaptive leadership promotes resilience, innovation, and sustainable solutions by examining the dynamic interplay between adaptive leadership methods and the particular demands posed by the Indian market. This study examines how adaptive leadership practices within Japanese multinational corporations (MNCs) support efficient problem-solving, encourage cross-cultural collaboration, and help in strategic decision-making in the face of a variety of challenges found in the Indian market. It does this by using case studies and empirical data.

Keywords: Japan, India, Marketing, leadership, Adaptive, Management, MNCs.

Introduction

Adaptive leadership, this phrase was introduced by Marty Linsky and Ronald Heifetz. Heifetz highlights it as the act of inspiring a group of individuals to take on challenging projects and succeed in the end. The contemporary perception of leadership is very different from its historical perception. It is believed to be

backdated to think that an individual can achieve everything by forcing his will on others. Nowadays, being a leader is seen as a team activity in every company. Company managers and other leaders work together with their employees to accomplish goals and implement changes. However, the reason of the business world can be so volatile and unpredictably changing. The result is that executives often find it difficult to keep up with everything. To survive in the business world, one needs to be more than just extremely productive. This is also required in the way of achieve success. Corporate leaders can use adaptive leadership as a tool to implement new strategies and techniques that help them overcome obstacles.

Understanding Adaptive Leadership in MNCs

Adaptive leadership is a system employed by large international companies to manage their operations effectively. It helps employees take difficult tasks and succeed in a world that is getting more uncertain and changing quickly. It means moving away from the traditional top-down leadership style towards a more modern, flexible, and collaborative approach, based on basic traditional knowledge. Being open is important for adaptive leadership. As per Cote (2022), being creative and having confidence in oneself are also part of it.

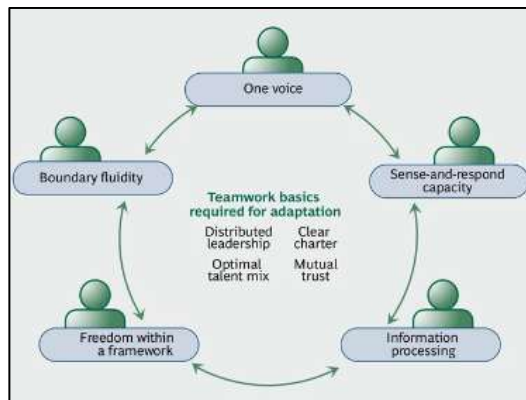


Fig 1: Traits of Adaptive Leadership

(Source: London 2023)

The actions that multinational businesses (MNCs) must take in order to address complex issues. They can especially benefit from

this leadership style since it addresses not just difficult problems but also cultural and market diversity. Multinational businesses (MNCs) can more successfully navigate the particular difficulties posed by conducting business in several nations and cultures when they employ adaptive leadership. It promotes creativity, deepens cross-cultural understanding, and streamlines organizational processes (Bataineh et al. 2022). For the following reasons, adaptive leadership is extremely important for multinational businesses (MNCs). For instance, changing global issues that encourages innovation and improve intercultural competency (Aron Said and Castillo Jara 2022). Multinational corporations (MNCs) face unique challenges that require flexible leadership to solve as they operate in a range of markets.

MNCs can adapt to shifts in the corporate environment, like unstable economies and game-changing technical advancements, by implementing adaptive leadership. By recognizing the diversity of seemingly disparate cultural perspectives, leaders with cultural competence can improve the effectiveness of their teams and organizations. To operate a business in the Indian landscape of business, any Japanese MNC can adopt adaptive leadership. As per Froese et al. (2020), having creativity and innovative ideas to solve any problem is the force behind any adaptive leadership. It can deal with the development that is happening to face any competition in the Indian market. Recognizing the personal and professional development of employees. MNCs that want to effectively handle complicated situations need to practice adaptive leadership. Adaptive leadership allows for the exploration of novel concepts and approaches without the fear of failure.

Growth and success may result from a more inventive and creative work atmosphere as a result of this. The capacity to identify both own and other people's feelings is known as emotional intelligence (Munjal et al. 2021). Equipped with this understanding, an adaptable leader can cultivate quality relationships and establish trust with other participants. Developing an honest culture is another essential component of adaptive leadership. Adaptive leaders are aware of the ideal policies to implement to advance the organization (Park and Lee 2021). They also understand how best to implement these changes so that people accept them.

Those who are adaptable are prepared to make room for the opinions of others, giving them the impression that they are respected and valued. Learning new things is necessary for adaptive leadership. When an approach fails to produce the desired outcome, an adaptable leader makes a concerted effort to find alternative tactics that may be more effective. The company as a whole as well as the staff will grow and develop with new techniques. Transparency, creativity, and a strong sense of self are all essential components of adaptive leadership. Though they may not always be correct, adaptable leaders gain the respect of their colleagues and put their advice into practice (Schweizer et al. 2020). In conclusion, because of their extensive global reach and varied operations, multinational corporations (MNCs) depend heavily on adaptive leadership to thrive in the quickly evolving business environment of today.

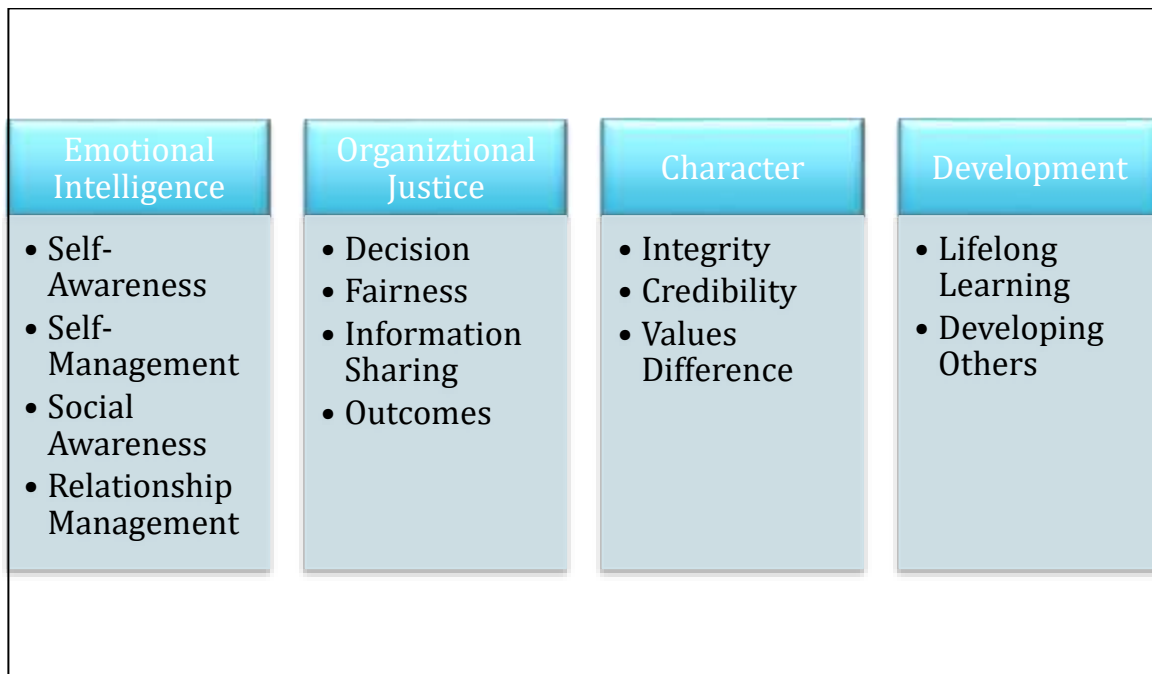


Fig 2: Principles of Adaptive Leadership

(Source: Kung 2022, p. 321)

Challenges Faced by Japanese MNCs in the Indian Market

Japanese multinational corporations have faced both opportunities and challenges as a result of the rise of globalization.

As the global economy grows more interconnected, Japanese businesses have had to adjust to constantly shifting market conditions. Even though Japan's top companies are well-known throughout the world, many of them still lag behind their international competitors in important markets. Given that Japan's domestic market is expected to grow slowly or stagnantly due to demographic and economic trends, it is critical for numerous Japanese companies to significantly boost their overseas revenue and profits (Tiku 2023). Even globally established corporations now have to rethink their foreign business models due to increased competition. To create a worldwide business, Japanese executives need to approach planning, marketing, and organization in novel and different ways. Effective strategies are no longer relevant, such as copying Japanese market practices in overseas operations (Napathorn 2020). This article will look at some of the difficulties that Japanese multinational corporations are facing as a result of globalization and how they are handling these difficulties.

- **Trade and Tax System:** For Japanese businesses hoping to break into the Indian market, the country's convoluted trade and tax laws can provide a substantial obstacle (Isaac et al. 2020). Businesses may find challenges in navigating the environment as a result of this complexity. This could cause delays in starting up operations.
- **Understanding the Market:** Japanese companies often struggle to determine the size of the Indian market for their products. This is a result of the glaring differences in the two countries' markets, social mores, and consumer preferences. Japanese MNCs are goes through struggle with the target of achieving success. This is the result that refers differentiation in the markets of country, social mores, and the customers preferences.
- **Financing and Partnership:** Japanese companies those are operating in India might have problems. Problems like finding suitable funding sources and business partners. As a result, they might have trouble establishing a solid presence in the Indian market.
- **Logistics with local Agencies:** Japanese companies often face difficulties in managing personnel, local agencies, and logistics in the Indian market (Enderwick 2020). These

challenges may make it difficult for them to operate efficiently and achieve their goals.

- **Language and Cultural Barriers:** The cultural and linguistic gap between India and Japan may present challenges. As per Bhattacheryay (2020), these challenges are for Japanese companies trying to enter the Indian market. Misunderstandings and miscommunications could arise from this, which could be detrimental to business relationships and output.
- **Adaptation of Local competition:** Japanese multinational corporations (MNCs) are going to face more competition in the Indian market. From both local and multinational businesses Japan has faced this competition (Bader et al. 2021). For them to remain competitive and relevant in the market, they must create novel strategies and methods.
- **Navigating Government Policies:** Japanese businesses must negotiate India's convoluted and frequently shifting legislative landscape, which may have an impact on their operations and expansion (Oki 2020). They might have to spend a lot of time and money learning about and adhering to these policies as a result.

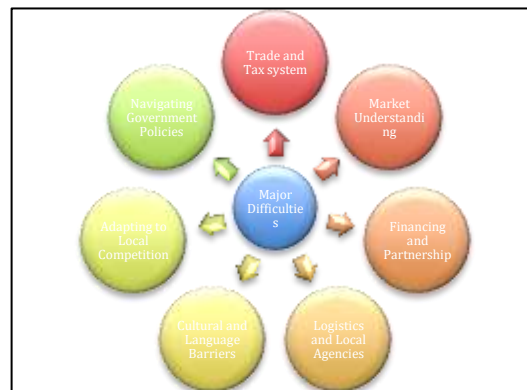


Fig 3: Major difficulties faced by Japan MNCs in Indian Business Landscape

(source: Areneke and Tunyi 2020, p. 256)

Role of Executive Performance of MNCs

Multinational firms' entire performance is significantly impacted by the performance of its executives, especially their CEOs. CEOs of multinational corporations (MNCs) have to maintain momentum and strong performance over an extended period of time, and they achieve this mostly by gradually improving company performance. MNCs' executive headquarters oversees foreign operations and makes crucial business decisions in addition to actively managing the offices and facilities overseas. The performance of CEOs has a major impact on the long-term viability and success of multinational corporations (MNCs). A few of the several factors that influence how successfully multinational corporations (MNCs) perform are the MNC's organizational structure, subject, and aim (Luo 2020). Multinational corporations' (MNCs) ability to compete globally and manage the many and varied challenges that come with doing business internationally are significantly influenced by the performance of their executives, especially those in the CEO and upper management team roles. Studies have shown that CEO pay and the effectiveness of the top management team (TMT) can impact MNC performance, particularly when the company is expanding internationally (Kung 2022). CEOs are important members of the organization as a whole. Listing the vision, strategic choices with leadership style all are getting impacted with the objectives and course. There are various types of variables or factors that are taken into cultural consideration to achieve goals and face reality. Executives can enhance employees to create a good work environment (Zhou 2022). They promote experimentation and flexibility in response to shifting customer demands, which fosters innovation. Executives create entrance strategies by figuring out the best method, moment, and venue for presenting their ideas to a particular industry. The MNC's choices regarding partnerships, mergers, acquisitions, and organic growth methods define its worldwide reach.

In order to make sure that performance measures, goals, and KPIs align with the general objectives of the organization, executives set them (Adekunle 2021). Their top priorities are reducing risks, increasing profitability, and optimizing operations and procedures worldwide. Executives set performance metrics, goals, and KPIs to

ensure they are in line with the company's overall objectives. Reducing risk and increasing profitability are their top priorities. Executives oversee interactions with a range of stakeholders, such as communities, workers, shareholders, and customers, to guarantee that they are in line with the goals and core values of the business (Novellini 2022). Incorporating social and environmental responsibilities into the MNC's operations, they spearhead CSR initiatives and make a positive impact on the communities they serve.

MNCs encompass the executive performance through the broad responsibilities. It affects the organization's culture, inventiveness, global strategies, relationships with stakeholders, and ability to overcome difficult obstacles on a global scale. Therefore, an MNC's ability to grow steadily, maintain a competitive edge, and have a positive social impact depends on its executive leadership.

Strategies for Implementing Adaptive Leadership in Japanese MNCs

Japanese multinational corporations (MNCs) looking to take on global challenges in the Indian market can benefit greatly from the management framework known as adaptive leadership. There is a proper reason to take the decision to adopt adaptive leadership in Japanese MNCs. Businesses that are multinational can operate in Japan with the target to achieve success (Iwashita 2022). This sustainable success only happens after fostering an impact on cultural innovation, cooperation, and innovation. All are needed to improve the respective organization. Businesses must foster an innovative, cooperative, and adaptable culture. Adaptive leadership is a strategy for inspiring people to work together to overcome obstacles and welcome change.

To identify and leverage diversity, leaders should focus on creating multicultural visualizations of competency. This diversity depends on the cultural perspectives within the organization (Adekunle 2021). This is especially crucial for Japanese multinational corporations that operate in a variety of international markets. Japanese MNCs can successfully adopt adaptive leadership and navigate by putting these strategies into practice.

- Cultural Transformation: Before implementing adaptive leadership, Japanese multinational corporations (MNCs) must change their organizational culture. to become more collaborative and adaptive these changes are required. A culture of learning, cooperation, and creativity can be fostered by changing the perspective of the staff and leadership.
- Leadership Development: Utilizing frameworks like Kabuki Leadership, which is intended to foster adaptive leadership in a hierarchical and collectivist culture like Japan, implement interventions for executive adaptive leadership development (Novellini 2022). Evaluating and improving adaptive leadership skills entails utilizing instruments like the Subject-Object Interview and the Culture Assessment Tool.
- Agile Cycles and Changing Immunity: Identify and overcome organizational and personal barriers to change, as well as use immunity-to-change-based and agile cycles approaches to leadership development. This will enable leaders to learn and adapt through iterative processes.
- Emphasizing collaboration with Innovation: Adaptive leadership is about inspiring people to work together to overcome obstacles and welcome change, cultivate a culture of cooperation, creativity, and adaptability within the company.
- Intercultural competence: Develop leaders' ability to detect the range of cultural perspectives within the organization (Iwashita 2020).
- Collaborative Leadership: Collaborative leadership always helps leaders to support a group for its development. Adapting instead of bringing about change is also involved.

Data analysis and findings

Adaptive leadership management style has been found very important for the performance of landscapes of MNCs in the market of India. In the leadership style flexibility enhances the innovation of the organization.



Fig: Representing the impact of leadership styles on organizational performance

(Source: Kusumawati and Saputra 2023, p. 243)

The previously mentioned figure establishes the graph that represents the impact of leadership styles on organizational performance. The transactional leadership style holds the number of half of the 0.1 beta. The transformational style of leadership holds the stage of 0.2 beta. Laissez faire style of leadership holds a -0.1 beta. After that as per the graph autocratic holds the double standard of laissez faire style. Lastly, democratic style of leadership holds the stage pf less percentile of 0.4 beta.

Indian	Japanese
Long term	Long term
Government and authorised persons make decisions	Collective decision making
Authorized person involvement	Involvement of many people
Slow decision making	Slow decision making
Slow implementation decision	Fast implementation of the decision

Table: Comparison of Indian and Japanese management styles

The above mentioned table establishes a standard for the management style of Indians and Japanese. Indian team has the long term management. The government and many authorized persons' decisions are held by Indian business persons. On the other hand, the Japanese area has the ability to make decisions that are held by the committees. In India, there is authorized person involvement. On the other hand, the Japanese have the involvement of many people. Indian holds the ability of making the slow decision. The Japanese has the also the ability of making the slow decision. The slow implementation of making decision of Indian and on the other hand Japanese holds fast implementation of the decision.



Fig: the framework of adaptive leadership

(Source: Matsuura 2023, p. 345)

The previously mentioned figure focuses on the adaptive leadership styles and their entire framework. In the structure there are several components those are illustrate the adaptive style of leadership. Embracing the uncertainty and get off the door are in the list of the component. Not only that embracing failure that maintaining leadership and the authority and making empathy with the mutual trust are also listed. Empowerment that allows teams to execute something with diversity are included. Constructive conflict making focus and giving the timely response are also included. Transparent articulate intent and expecting

plans to alternations all are included in the list of adaptive leadership styles of management.

Future Scope and Recommendations

In the future adaptive leadership must be used in the Japanese MNCs. The proper reason for this utilization of leadership formation is to foster sustainability. Developing through improving organizational behavior with the ability to manage complex global issues is one of those reasons. Adaptive leadership in Japanese MNCs can able to enhance innovation in culture (Rickleby 2023). Improvement in cultural competency can help to handle all types of unique demands. Those demands can conduct employee engagement in the Indian market. development in productivity has helped to get sustainable success in the global perspective with diverse global contexts. Here are some potential reach of multinational corporation can includes:

- Quick technological advancement. particularly in information and communication technology.
- MNCs are expected to improve their operations as a result of globalization for development.
- MNCs often detect substantial resources towards research and development. Identifying research and development is to foster innovation and preserve a competitive advantage.
- Technological advancement makes it possible to collaborate and innovate at the global level.
- The international operations will ensure to leveraging of local talent, resources, and expertise.
- MNCs can provide their employees a chance to work abroad to gather experience from different cultures.

Conclusion

Japanese multinational enterprises are ideal candidates for adaptive leadership management (MNCs). With the intention of entering the Indian market and tackling international obstacles. This approach is especially challenging given the dynamic and diverse nature of the Indian market. because it aids in the effective promotion of innovation by leaders. Managing adjustments and

fostering success are also covered. Adaptive leadership, which prioritizes emotional intelligence, empowerment, and agility, provides leaders with insightful feedback. All of this takes place in a dynamic commercial environment. Additionally, this increases staff engagement, which promotes sustainable growth. Leaders should carefully consider the benefits and drawbacks of adaptive leadership before using the technique, even if it can make it challenging to uphold consistency and resist change. The principles of adaptive leadership, which prioritize adaptability, creativity, and resilience, are essential.

Reference:

- Adekunle, A.R., 2021. Innovation and Sustainable Development: A Compelling need for Strategic Leadership in a Global World. *Covenant University Journal of Politics & International Affairs* (Special Edition).
- Areneke, G. and Tunyi, A.A., 2022. Chairperson and CEO foreignness and CG quality of emerging markets MNCs: Moderating role of international board interlocks. *International Journal of Finance & Economics*, 27(3), pp.3071-3092.
- Aron Said, V. and Castillo Jara, S., 2022. Reacting to change within change: adaptive leadership and the Peruvian response to Venezuelan immigration. *International Migration*, 60(1), pp.57-76.
- Bader, A.K., Bader, B., Froese, F.J. and Sekiguchi, T., 2021. One way or another? An international comparison of expatriate performance management in multinational companies. *Human Resource Management*, 60(5), pp.737-752.
- Bataineh, M.S.E., Zainal, S.R.M., Muthuveloo, R., Yasin, R., Al Wali, J. and Mugableh, M.I., 2022. Impact of inclusive leadership on adaptive performance: The role of innovative work behaviour. *International Journal of Business Science & Applied Management (IJBSAM)*, 17(1), pp.28-43.
- Bhattacharyay, S., 2020. Multinational enterprises motivational factors in capitalizing emerging market opportunities and preparedness of India. *Journal of Financial Economic Policy*, 12(4), pp.609-640.
- Cote, R., 2022. Adaptive Leadership Approach With COVID 19 Adaptive Challenges. *Journal of Leadership, Accountability & Ethics*, 19(1).
- Enderwick, P., 2020. The competitive challenge of emerging markets: China and India. Cambridge Scholars Publishing.

Special Issue on Multidisciplinary Research

- Froese, F.J., Shen, J., Sekiguchi, T. and Davies, S., 2020. Liability of Asianness? Global talent management challenges of Chinese, Japanese, and Korean multinationals. *Human Resource Management Review*, 30(4), p.100776.
- Isaac, K.S., Ibidunni, A., Kehinde, O.J., Ufua, D., Elizabeth, K.B., Oyo-Ita, D. and Mathias, C.M., 2020. The role of multinational corporations in global economic practice: Literature review. *Journal of Management Information and Decision Sciences*, 23(5), pp.619-628.
- Iwashita, H., 2022. Language and identity in the shadow: A multi-case study of a Japanese multinational corporation. *International Business Review*, 31(2), p.101913.
- Kung, E., 2022. Exploring the Leadership-As-Practice of Middle Managers Engaged in Organizational Changes in an Asia Pacific Multinational Setting (Doctoral dissertation, Antioch University).
- Kusumawati, R. and Saputra, A.D., 2023, August. FASCA Leadership: Alternative Leadership Styles in an Era of Change. In *International Conference on Intelligent Networking and Collaborative Systems* (pp. 295-305). Cham: Springer Nature Switzerland.
- London, M., 2023. Causes and consequences of adaptive leadership: A model of leaders' rapid responses to unexpected events. *Psychology of Leaders and Leadership*, 26(1), p.22.
- Luo, Y., 2020. Adaptive learning in international business. *Journal of International Business Studies*, 51, pp.1547-1567.
- Matsuura, Y., 2023. Global Mindset Development: Qualitative Research of Japanese Business Leaders Based on the Global Mindset Inventory (Doctoral dissertation, California Baptist University).
- Munjal, S., Andersson, U., Pereira, V. and Budhwar, P., 2021. Exploring reverse knowledge transfer and asset augmentation strategy by developed country MNEs: Case study evidence from the Indian pharmaceutical industry. *International Business Review*, 30(6), p.101882.
- Napathorn, C., 2020. How do MNCs translate corporate talent management strategies into their subsidiaries? Evidence from MNCs in Thailand. *Review of International Business and Strategy*, 30(4), pp.537-560.
- Novellini, P., 2022. Rethinking the Adaptive Leadership model through the Italian Adaptive Leadership Behavior Questionnaire (Doctoral dissertation, University of Sunderland).
- Oki, K., 2020. Factory performance and decision-making authority between headquarters, expatriates, and local employees in Japanese MNCs in Southeast Asia. *Asian Business & Management*, 19(1), pp.86-117.

Special Issue on Multidisciplinary Research

- Park, B.I. and Lee, J.Y., 2021. The survival of the fittest in the global markets: multinational corporation challenge, evolution and decline. *Management Decision*, 59(1), pp.1-17.
- Rickley, M., 2023. A Systematic Review of Power in Global Leadership. *Advances in global leadership*, pp.3-35.
- Schweizer, R., Lagerström, K. and Jakobsson, J., 2020. The evolution of MNCs' R&D foreign units: the case of Swedish MNCs in India. *Cross Cultural & Strategic Management*, 27(3), pp.365-388.
- Tiku, S., 2023. AI-induced labor market shifts and aging workforce dynamics: A cross-national study of corporate strategic responses in Japan, USA, and India. USA, and India (August 9, 2023).
- Zhou, Y., 2022. Effective Leadership for Knowledge Sharing by Enterprise Social Networking (ESN) during Crisis. In *People Management-Highlighting Futures*. IntechOpen.