Leading Across Cultures in the Human Age

A Groundbreaking Study of the Intercultural
Competencies Required for Global Leadership Success

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Table of Contents

A Word from Leadership

To be successful, global organizations need leaders who can drive business on a global scale. Globalization today is the norm, not the exception. As we enter the Human Age, where Talentism is the new Capitalism, no organization can afford to overlook optimizing the performance of leaders who operate globally. Productivity and innovation in the Human Age require talent strategies that focus on developing and nurturing global leaders.

Leading across cultures is a critical element of leading in the Human Age and unleashing the power of what is humanly possible. It often requires making decisions in complex or ambiguous environments, understanding cultural nuances and adapting one's style accordingly. A good track record in one country does not guarantee success in the global arena, nor will merely exposing high-performing leaders to new cultures make them effective multinational leaders.

Right Management and Tucker International partnered on this unique study to help multinational clients address the challenges associated with developing leaders with global responsibilities. This first-of-a-kind study is truly breakthrough as it identifies the cultural competencies needed for global leaders to be successful, and it also predicts what success looks like when these competencies are present and well developed. Being able to predict success is critical because, without these insights, it is impossible to decide how to invest in the best strategies that grow talent and develop leaders.

We trust you will find these insights and best practices useful to apply and maximize the return on your development initiatives for global leaders.

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About This Study

Right Management partnered with Tucker International to study 1,867 leaders of 13 nationalities between April of 2010 and December of 2011. A wide variety of businesses were included, from mid-size firms to Fortune 100 organizations. Some 134 industries were represented.

PARTICIPANT PROFILE

Only global leaders were included. These leaders were engaged in managing people across cultures, either on international assignment or working from their home base. Leadership responsibilities for participants included *(respondents were asked to check all that applied)*:

- **59%** who had top executive responsibility for their business
- **51%** who had Profit and Loss responsibility for their business, program or project
- **50%** who ran a group of businesses
- **42%** who had top executive responsibility for their business function

Nationality	Number of Leaders	Percent of Total
American	161	9%
Australian	189	10%
Belgian	93	5%
Brazilian	140	7%
British	175	9%
Canadian	192	10%
Chinese	122	7%
French	178	10%
German	173	9%
Indian	186	10%
Japanese	139	7%
Norwegian	67	4%
Swedish	52	3%

The Challenge of Leading a Global Enterprise

In the Human Age, talent is the critical element to achieving business success and economic prosperity. The focused development and deployment of talent, aligned with an organization's business strategy, significantly increases prospects for outpacing the competition. Talent is the only sustainable differentiator. For organizations that operate in a global marketplace, this means developing talent with different and specific global leadership skills. For many organizations this requires reevaluating existing leadership development initiatives and adopting new methods for unleashing human potential.

Among the many challenges facing businesses in the changing world of work are competing in a global environment as well as attracting and retaining leadership talent. Global businesses are looking for leaders who have the ability to operate more effectively between different cultures, time zones and markets. The need for more specific skills, combined with changing workforce demographics, is creating a growing talent mismatch and scarcity of ready-now leaders.

The development of leaders in the Human Age is the most strategic effort corporations can invest in to create competitive advantage. Organizations can no longer rely on outdated work models, talent sources, people practices and leadership techniques to achieve success. The key to productivity is building a talent strategy that takes advantage of the innovations, information and technology available in the Human Age. Organizations must recognize that people have become their most valuable assets, and they must optimize these assets to deliver on the needed results.

Global leadership differs from domestic leadership because of the complexities of dealing with people from different cultures.[1] The global experience results in leaders developing new worldviews, mindsets, perceptual acumen and perspectives. These simply do not exist within people who have not gone through such a series of experiences in a global context.

Global leadership requires operating with ambiguity and complexity. It demands specific behaviors and competencies to be successful. Knowing the few vital competencies that lead to successful outcomes when developed thoroughly will enable scarce development dollars to be invested precisely to garner the greatest potential return on developing global leaders.

According to a recent study by Right Management, some 80% of CEOs and human resource professionals rated Cultural Assimilation as the greatest challenge facing successful leaders outside of their home country. The fact is that cultural issues will dominate the competencies required for global leaders to be successful, now and in the future.

This study is truly unique for the following reasons:

1   **Profile of Participants:** Only global business leaders participated in the study to identify the most essential competencies required for successfully leading across cultures. Other studies of this nature typically have human resource professionals, trainers, employees and others rank what competencies they believe are most important. But this study taps the perspective from individual global leaders directly responsible for business performance and strategy execution across multiple cultures.

2   **Validation of the Best Global Leadership Competencies to Develop:** The study takes the competencies one step further and predicts success through analysis of performance when the six competencies are exhibited as strengths, leading to successful outcomes. This knowledge can be leveraged to specifically invest in strategies that grow talent and develop leaders so that multinational organizations can maximize return.

3   **Scientific Study:** It is scientific research using a validated assessment instrument, which provides confidence in the accuracy and relevancy of the results.

The research results, their implications and best practices may be used for informing a broader talent strategy to help employees navigate more proficiently at a global level. In addition, senior leaders and human resource professionals can use these insights and include intercultural competency assessment and development in global leadership development activities. Knowing the competencies required for success will inform development decisions so managers and human resources can hone in on what is needed most, thereby creating stronger global leadership talent pools and increasing bench strength.

Read on to learn more about the leadership competencies and behaviors required for success in leading across cultures.

Challenges Multinational Organizations Face in Developing Global Leaders

An interview with Dr. Ric Roi, Senior Vice President, Talent Management, Asia Pacific, Right Management

Q: What are the most common or recurring challenges you see with clients in developing global leaders?

RR: Clients that are successful in deploying leaders into international roles take a scientific approach, which starts with assessing which current leaders in the company have the mindset, motivation and leadership potential to truly thrive in a multinational operating environment. Global leadership roles and overseas assignments are not for everyone, and bring many challenges and learnings for managers who assume these assignments. It requires an honest assessment from the individual manager's side of their personal motivation and readiness, including spouse and family readiness, to take on a challenging international assignment or to step into a global management role. From the company side, conduct due diligence through formal candidate assessments of who, among the pool of leadership talent, is more likely to succeed at operating in an environment that is far more complex, per the business and cultural dimensions, than a domestic business leader role.

Q: How can human resource professionals apply the learnings from this research to succeed in operating in a global environment?

RR: The learnings can be applied to help aid appropriate selection of expatriates and overseas managers, facilitate growth of international leadership bench strength, help to ensure the success of leaders in new roles, and boost efforts in localizing country management teams. Most importantly, all initiatives related to developing leaders need to have appropriate measurements in place to enable the regular review of meaningful metrics that will help overall business growth and individual leader performance. The risk of deploying the wrong leader to an international assignment is costly to the organization and to the individual manager. According to Germane Consulting, the cost of a failed manager can range from US$1 million to US$2,700,000. Applying more rigor and science to the process of selection and deployment of overseas managers helps to mitigate this risk substantially.

Key Findings

Through rigorous analysis of 1,867 leaders from 13 nationalities, the results from the assessment identified six essential competencies required for global leadership success.

Adapting Socially

This competency represents a leader's ability to socialize comfortably with new people in unfamiliar social situations and to demonstrate genuine interest in other people. Many studies have shown that Adapting Socially is a powerful predictor of intercultural adjustment. Much of global business takes place in social situations, over food and drink, and leaders who can recognize and engage appropriately in these situations are more successful than those who can't. An important aspect of this competency is showing interest in other people. Remembering and correctly pronouncing names, as well as remembering and repeating things learned about others, are ways to do this.

Application: A critical lesson that global business leaders have learned in order to succeed in Asia is that networking and relationship building are the essence of Asian business cultures. Leaders who have a high Adapting Socially competency recognize and are able to do this. This approach is quite different, for example, for Western retailers who want to succeed with sourcing in Asia. They are not used to building relationships with their domestic suppliers, relying instead on acquiring the best products at the lowest price. They can do this as well in Asia, but will have much more long-term success and loyalty if they focus on networking and relationship building.

Demonstrating Creativity

This competency represents a leader's ability to enjoy new challenges, strive for innovative solutions to social and situational issues, and learn from a variety of sources. This quality includes the ability to see around corners, predict outcomes and act despite uncertainty. This dimension of creativity is therefore related to the Navigating Ambiguity dimension discussed in the following pages. Creative approaches are more difficult, but more successful, in ambiguous situations.

Application: Creative global leaders practice and encourage experimentation and innovation throughout their organizations. They expect to make deeper business model changes to realize their strategies, take more calculated risks, find and support new ideas, and keep innovating in how they lead and communicate. Successful global leadership is all about leading through others, finding creative ways to select, retain and motivate diverse talent. It is also about maintaining a competitive, creative edge through lifetime learning—making a habit of learning from a variety of sources.

Even Disposition

This competency represents a leader's ability to remain calm, not be critical of him- or herself, and learn from mistakes. In good times and especially in bad, people in an organization look to their leaders for guidance. Those leaders who take things in stride and maintain an even disposition to set a tone for the organizational culture that is resilient.

Application: Leaders owe it to themselves and to those they lead to become aware of and address behaviors that may emerge when they are under highly stressful circumstances that are damaging to the motivation and engagement of the workforce. These negative behaviors, often only evidenced under stress, are commonly called "derailers" and they can do deep damage—quickly breaking bonds of trust that can take years to rebuild, if ever. In a multicultural context, it is even more important, perhaps imperative, that leaders understand how their derailers may affect people from different cultures and then take action to address how to modify those behaviors and mitigate the great risks involved in demonstrating an uneven disposition.

Respecting Beliefs

This competency represents a leader's ability to demonstrate respect for the political and spiritual beliefs of people in other cultures. It also includes a good sense of humor, which is an often-mentioned but underappreciated aspect of global leadership. Leaders who can use appropriate humor in tense situations involving political or spiritual differences can diffuse tensions and loosen things up for more successful problem solving. Those in global leadership roles must be careful in both verbal and nonverbal messages to not only avoid disrespectful comments, but to learn enough about the beliefs of their people to show respect (such as acknowledging important dates and ceremonies).

Application: Consider, for example, that in Africa a leader must recognize the importance of extended family death rituals and accommodate employee leave times for funerals. In Muslim societies, a leader must adjust organizational life to the five pillars of Islam, including the five daily prayers. And, of course, mixing politics with business across cultures is always fraught with challenges.

Instilling Trust

This competency represents a leader's ability to build and maintain trusting relationships. Extensive research and practice among global teams concludes that trust is the one glue that holds diverse teams together. Building and maintaining trust across cultures is a complicated process because trust does not mean the same thing to members of different cultures. Successful global leaders take the time to understand these cultural differences among their people and to build and maintain trust in appropriate ways.

Application: Low levels of trust typically slow down everything—every decision, every communication and every relationship. On the other hand, high trust produces speed. Leaders who bring high trust to multicultural organizations get superior results by clarifying expectations, listening first, creating transparency and practicing accountability.

Navigating Ambiguity

This competency represents a leader's ability to see through vagueness and uncertainty, not become frustrated, and figure out how things are done in other cultures. Ambiguous situations are the norm in leading across cultures, so the ability to work successfully in these environments is truly an advantage.

Application: When confronted with foreign ways, people naturally tend to attribute what is seen and heard based on their own cultural background. Leaders from cultures with a low-context or direct style of communication, for instance, may find the long and circular process of decision-making, characteristic of more indirect, high-context cultures, frustrating and ambiguous. These leaders (mainly from Western cultures) may attribute this to disagreement with their own plan or proposal among their (Asian) counterparts or to poor decision-making capability. The correct attribution is that longer decision-making for their counterparts is culturally natural for them, involves more stakeholders and leads to quicker implementation.

COMPETENCY PROFICIENCY DIFFERS ACROSS NATIONALITIES

The leaders were evaluated and sorted by nationality to determine their proficiency in each of the six competencies. Given that the mean scores were based on a scale of 1 (low proficiency) to 5 (high proficiency), it appears that the leaders in this study have some way to go for full development of all six of these competencies.

The most strongly held competency by all nationalities was Adapting Socially, followed by Demonstrating Creativity and then Even Disposition, Respecting Beliefs, Instilling Trust and Navigating Ambiguity. The table below shows how nationalities compared on the six competencies.

The data in this table is presented for general comparative purposes only. Through rigorous equivalence analyses it was determined that three competencies were interpreted in the most similar way across nine of the nationalities of the 13 nationalities studied. These were Respecting Beliefs, Instilling Trust and Navigating Ambiguity. The nine nationalities that interpreted these competencies in the same way were American, Australian, British, Canadian, Belgian, German, Indian, French and Chinese.

The highest score in each competency is marked in green. The lowest score in each competency is marked in red.

	Adapting Socially	Demonstrating Creativity	Even Disposition	Respecting Beliefs	Instilling Trust	Navigating Ambiguity
American	4.29 ▲	4.04 ▲	3.66	3.79 ▲	3.51 ▲	3.24 ▲
Australian	4.00	3.69	3.58	3.60	2.83	2.77
Belgian	3.95	3.68	3.56	3.19	2.82	2.77
Brazilian	4.00	3.78	3.41	3.12	2.88	2.72
British	4.10	3.86	3.70 ▲	3.48	2.68	2.89
Canadian	4.07	3.74	3.63	3.41	2.79	2.68
Chinese	3.83	3.52	3.69	2.58 ▼	2.61	2.26 ▼
French	3.89	3.59	3.55	2.82	2.69	2.58
German	3.82	3.65	3.47	3.04	2.80	2.79
Indian	4.03	3.73	3.63	2.98	2.50 ▼	2.35
Japanese	3.53 ▼	3.33 ▼	3.35 ▼	2.86	2.83	2.67
Norwegian	3.90	3.71	3.68	3.07	2.67	2.97
Swedish	4.08	3.74	3.35 ▼	3.10	2.91	2.84
Mean $\overline{x}$	3.98	3.71	3.57	3.19	2.81	2.72

Explanations for these differences can only come from an in-depth look at each nationality, its business culture and how these differ from one another. Various local market experts from specific countries have shared their recommendations and observations in the pages that follow. It is interesting to note that the American, British, Canadian and Australian leaders rank consistently high across many of the competencies. One explanation may be that these business cultures have been greatly affected in recent years by initiatives in the areas of inclusion and cultural awareness. Canadians celebrate multiculturalism and it is a source of national pride. Also, leaders in these cultures have a fairly long history of working in multinational businesses, while those in China and India are quite new to this. Chinese leaders are more experienced with leading Chinese state-owned enterprises than they are with multinational companies. Indian leaders are more experienced with leading large family-owned businesses and Indian state-owned businesses than they are with multinational companies.

The American leaders were the strongest in this competency, followed closely by the British, Swedish, Canadian, Indian, Australian and Brazilian leaders. The Japanese, German, French and Chinese leaders were the least proficient in this competency.

According to Raphaele Gauducheau, General Manager of Right Management's Mediterranean operations, many French people are embarrassed to talk with people they don't know or with whom they have not been formally introduced. "This may help to provide insight for the French ranking on Adapting Socially. For many individuals, doing what is required by this competency seems rude, embarrassing and even overtly inquiring."

Gauducheau suggests that such leaders in the global arena need to be coached to change these perceptions…to help them understand that this attitude is not intrusive but demonstrates interest in others and is critical to global interpersonal relations. "Managers or coaches need to explain the difference between being intrusive and being interested. Ask the individual to go regularly (at least monthly) to client events/clubs, and set an objective of making at least one new contact at each event. Prior to that, help the individual to prepare a short introduction about himself/herself and sample questions that will help to connect with others more easily."

Bridget Beattie, who leads Right Management's operations in Australia and New Zealand, noted that Australians are naturally outgoing and straight talking. Sometimes this directness can be seen as gauche by other cultures, but the genuine friendliness of Australians and a desire to understand others' perspectives are usually helpful in global leadership roles.

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-Raphaele Gauducheau, General Manager, Mediterranean Region, Right Management

According to Bram Lowsky, Group Executive Vice President Americas at Right Management, business leaders increasingly value and recognize the need for more significant emphasis on ensuring that their leadership teams are comprised of executives who are capable of building strong social relationships within their industry and within the business. "With fewer constraints on social boundaries than most other cultures, North American society is becoming more inclined toward lower 'power distance,' which is a key characteristic of leading in the Human Age. As such, leaders are asked to develop relationships with people on their team (above, across, below) and with stakeholders whose cooperation is vital to their individual success, as well as the overall team success. Building these relationships has to be sufficiently wide, however, to ensure that there isn't an insular perspective. In this globally connected world, it has become

equally as important for socially agile leaders to build relationships within their professional community where they can tap into their network as advisors, sounding boards, opinion leaders and collaborators."

This is not a goal to just further social relationships, observed Lowsky. "It is considered a strategic skill. Demonstrating social agility, whereby the leader is able to develop and maintain relationships with multiple stakeholders, allows a him/her to achieve change agendas, influence, negotiate, persuade and be strategic in which levers they pull to advance and accelerate business goals. The belief is that more often leaders will derail not because of a lack of technical expertise, but because they have not built key relationships. As a consequence, many organizations are investing in building this skill set amongst their leaders."

Demonstrating Creativity

The American, British and Brazilian leaders were the strongest in this competency. The Japanese, Chinese and French were the least proficient.

While it may be true that some people seem to be more creative than others, it is possible for everyone to become more creative in their approaches to leadership challenges. This involves a commitment to divergent thinking, as compared to a convergent process. Instead of looking for and being comfortable with situations that are predictable and familiar, creativity requires seeking out and trying different and unfamiliar things, even if they are unconventional. It also involves developing an appetite and looking forward to new challenges, compared with taking on more of the same types of familiar things. When approaching a major decision or solution, creative leaders try to develop a set of alternatives (including some unusual ones). Then they work with their people to select the best outcome.

Creative leaders seek out and mix with different kinds of people and get to know them. They think about different ways to form task teams that maximize diversity. They develop ways to reward innovation in the approaches and solutions that these teams produce.

Development of this competency also includes reviewing how information is sourced about what is going on in the world today, expanding information sources and developing a routine to use them regularly, and developing and maintaining a network of international relationships that can be used to share information and get ideas for problem solving.

Even Disposition

The British, Chinese, Norwegian, American, Indians and Canadian leaders demonstrated the strongest proficiency in this competency. The Japanese, Swedish, Brazilian and German leaders were the least proficient.

Chinese people prefer a leader with an even disposition, particularly when they make mistakes or do not achieve performance goals, advised Qiang Lu, General Manager of Right Management China. "Being direct and critical in front of groups of people makes Chinese leaders 'lose face' and feel embarrassed. An informal or personal event, such as having a cup of tea or meeting over lunch, is a more helpful environment to address delicate and formal topics, such as performance coaching."

"Chinese people prefer leaders with an even disposition. Being direct and critical in front of groups makes Chinese people 'lose face' and feel embarrassed. An informal or personal approach is much more helpful."
-Qiang Lu, General Manager China, Right Management

Respecting Beliefs

Again, the American leaders were the strongest in this competency, followed closely by Australian, British and Canadian leaders. The Chinese, French and Japanese leaders were the least proficient in this competency.

Bridget Beattie observed that "Australia's multicultural, egalitarian and secular background means that for the most part, Australian leaders give everyone the benefit of the doubt and will try to understand what it is that drives someone, rather than only looking at others through the lens of their own experience."

"Australia's multicultural, egalitarian and secular background means that, for the most part, Australian leaders give everyone the benefit of the doubt and will try to understand what it is that drives someone, rather than only looking at others through the lens of their own experience."
-Bridget Beattie, Regional General Manager India, Australia & New Zealand Right Management

As Gail Landazuri, Senior Vice President and General Manager of Right Management's Americas East Region, noted, participants in the North American workforce represent every nationality, culture and ethnic group across the globe. "Leadership's greatest challenge is to leverage the very best thinking and insights of that employee population, creating a stimulating environment that invites growth and innovation. Global business requires a global mindset, and generally speaking North American leadership is often not representative of the cultural diversity they oversee. Managers and leaders therefore may need coaching and development to enhance their cultural sensitivity, as well as development toward a broader appreciation and understanding of the diverse teams they lead; they need the tools and best practices to harness all of the points of view at their disposal to drive their business forward."

One can develop this competency through diversity and cultural awareness programs, participating as a member of a true global task team, and of course through assignments outside of one's country or culture, advised Landazuri. "And I think an investment in an upfront assessment that identifies specific strengths and challenges in an international arena is a top priority; the assessment provides the data and baseline against which you watch those global leadership attributes develop and refine."

Instilling Trust

The American, Swedish and Brazilian leaders were strongest in this competency. The Indian and Chinese leaders were the least proficient in this competency.

Differences in this competency by nationality may be partially explained by the concept of "tight" and "loose" cultures. [2, 3, 4, 5] Tight cultures are those in which social norms are clearly defined and reliably imposed, leaving little room for improvisation or interpretation. Loose cultures are those in which social norms are flexible and informal. They propose expectations but permit individuals to define the range of tolerable behavior within which they may exercise their own preferences. Thus, enforcement in loose cultures is left to interpersonal mechanisms.

"The journey of gaining trust in any relationship requires significant investment and the ability to view the perspectives of different cultures. Fundamental to this competency are empathy and effective listening skills."
-John Ferguson, Managing Principal, Talent Management, United Kingdom, Right Management.

Institutional mechanisms govern behavior in tight cultures. Individuals from these cultures tend to rely on institutional trust more than interpersonal trust to control behavior and sanction deviance. Because interpersonal mechanisms govern behavior in loose cultures, the exact opposite is true. People in cultures with strong social norms do not need social intelligence to find out who is trustworthy—trust is not needed.

Applying this concept to the differences among national leaders with respect to trust, it is expected that the Chinese and Indians (who scored lower on this competency) would represent tight cultures, while the Americans, Swedish and Brazilians (who scored high on Instilling Trust) would represent loose cultures. These findings have an important message for the Indian and Chinese leaders who are leading multicultural organizations. They need to learn what trust means among the cultures of their people, and spend time and energy to develop trust as a central, expressed value in their organizations.

As Qiang Lu, General Manager of Right Management China explained "A leader can be trusted if he/she shows respect to others, keeps promises, makes everything transparent and addresses wrongdoings. But it is not enough. People prefer having a personal relationship with their leader. So a personal call or informal chat and lunch/dinner with drink are critical to build a close relationship with Chinese people. Starting from that, you can instill trust with local Chinese over a gradual process."

John Ferguson, Managing Principal Consultant, Talent Management for Right Management in the U.K., believes that British leaders understand the value of trust to drive workforce engagement and alignment, and seek to optimize this focus to deliver results. "However, when this goal is pursued in a cross-cultural environment, the challenge arises in appreciating and understanding how other cultures may view 'trust.' The journey of gaining trust in any relationship

requires significant investment and the ability to view the perspectives of different cultures. Fundamental to this competency are empathy and effective listening skills."

"The key is to remember that trust cannot be achieved overnight but only with a consistent high-integrity approach through the highs and lows of corporate life," observed Ferguson. "U.K. leaders will benefit from utilizing their well-developed leadership skills to fine-tune their approaches to building trust in multicultural environments."

Navigating Ambiguity

The mean scores for this competency were not as differentiated by nationality. However, the Americans again ranked highest, followed by the Norwegians, British and Swedish. The Chinese, Indians and French trailed on the lower end of the mean scores for proficiency. In particular, the Chinese culture is high on "uncertainty avoidance," which is not surprising given the country's history of authoritarian rule. Therefore, any areas of ambiguity need to be clearly laid out for them with specific steps and actions in how to get through it. This may partially explain why the Chinese scored the lowest on this competency.

Gail Landazuri observed that businesses are contending with rapidly changing dynamics that are increasingly global in nature. "Leaders regularly confront challenges that are inherently filled with ambiguity. In my experience, top leaders across North America regularly draw on past experiences and current context to make critical decisions one day to the next, gathering and processing data that literally developed overnight from across the globe."

"Rather than demanding that decisions be made through their lens, with immediacy and autocracy, they may need to allow their subordinates, due to cultural imperatives, to engage in more dialogue and build consensus before committing to a direction."
-Gail Landazuri, Senior Vice President and General Manager Americas East Region, Right Management

North American leaders in particular tend to be quick to act, taking key information available to them and moving forward, commented Landazuri. "These leaders may benefit from development focused on valuing and allowing for the various decision-making styles of their team members. Rather than demanding that decisions be made through their lens, with immediacy and autocracy, they may need to allow their subordinates, due to cultural imperatives, to engage in more dialogue and build consensus before committing to a direction. The diversity of input generated, when allowing for what may appear to be a circuitous or ambiguous process, will surely create a more effective and actionable plan of execution."

Over the past several years, leaders in the U.K. have experienced lower market, economic and political barriers across Europe, commented John Ferguson. "As a result, many leaders have sought to optimize their organization's competitive advantage, although not always manifesting in successful outcomes. The challenges of navigating and leading multicultural teams to achieve

a sense of cooperation and interdependence often result in frustration with lack of progress or inertia to drive performance outcomes. Often I hear U.K. leaders say such things as 'they don't get it' or 'I'm fighting against cultural mindsets.'"

The opportunity exists to help U.K. leaders appreciate not just their lack of cultural diversity in terms of knowledge and norms but also how their dominant and well-practiced natural country style impacts on other cultures, added Ferguson. "Even within the U.K. there exist national traits of Scotland, Wales and Northern Ireland. Match that up against the contrasting styles of the French, Germans, Danish or Swedish, and cultural ambiguity in how best to lead becomes even more complex. If U.K. leaders are to optimize their effectiveness, they need to develop an increased sense of personal awareness and cultural diversity to reduce ambiguities and accelerate results. Self-awareness is the fundamental first step—to understand others, one must be sure to first understand one's values, motivators and culture."

It is important to consider the value of navigating ambiguity with finesse, as it has never been more important to master this skill set than in today's global economic environment, advised Bram Lowsky, Group Executive Vice President Americas at Right Management. "Uncertain about the world economic markets, maintaining one's focus in a period of continual volatility is much like steering through white-water rapids. There are a lot of rapids to navigate, you may lose some of your belongings en-route, and it is nearly impossible to see around the bends."

"Today's executives need to be resourceful, try new approaches and plan ahead, while at the same time be able to move with speed and certainty," continued Lowsky. "In our age of 'infobesity', leaders must learn to sift through growing volumes of information quickly in order to make decisions with as much certainty as possible. They must learn to operate with the best data available, identify the 'must have' criteria, and create early warning systems that effectively detect areas of risk while moving ahead assertively. It is fast becoming the exception to have all information available before making decisions, yet they cannot delay. The new and important competency for executives is to learn to embrace the risk and build cultures that are better able to make decisions with less or even ambiguous information, all with the goal of accelerating business results. Black and white linear thinking skills will not excel as executives learn to view the nuances of outcomes as neither total successes nor total failures."

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COMPETENCY PROFICIENCY PREDICTS
BEST-PRACTICE LEADERSHIP OUTCOMES

Measuring intercultural competencies as described thus far in the study is only part of the story.

A good track record of performance for a leader in one country does not predict success when operating globally. Similarly, exposing high-performing leaders to new cultures will not guarantee that they can effectively navigate multinational environments. Further analysis predicts that when all six of the global leadership competencies are developed thoroughly in a leader, three best-practice leadership outcomes can be expected. These are:

Global Networking: This is the demonstrated ability to develop a network of international relationships and make a successful transition to work with people of other nationalities.

A characteristic of successful global leaders is the seeking out, securing and actively maintaining a network of international business people whom they can rely on for information and to act as sounding boards for ideas and strategies. These can be people within their own organizations, other (non-competitive) organizations, professional associations or governmental agencies. The key here is that these are people-to-people, personal relationships, not just nameless sources.

Another aspect of this outcome is being comfortable and confident in working with people of other nationalities. It is a natural tendency for people to prefer working with those of their own culture and native language, but successful global leaders are seen as those who can move smoothly from culture to culture.

A good track record of performance for a leader in one country does not predict success when operating globally. Similarly, exposing high-performing leaders to new cultures will not guarantee that they can effectively navigate multinational environments.

Driving Performance: This is the demonstrated ability to provide objective evidence of effectiveness in a global leadership role, team achievement of global business goals, company success in countries of operation, and proof that the company is seen as a preferred place to work.

There are several ways to gauge whether or not a global leader is successful in driving his or her organization to outstanding performance. One of these is to calculate the ratio of cumulative stock returns to the general market for organizations in one's business sector. Another way to do this is by a comparison of market share, growth curves and employee engagement ratings of the organization as a good place to work. This study asked global leaders to directly assess the extent to which they and their organizations had achieved their objectives and done well. They were asked if there was objective evidence available to show that they had performed well in a global leadership role and if performance data indicated that their team had achieved global business objectives.

An important component of this outcome is the extent to which the leader's organization is seen as a preferred place to work in the countries of operation. This has been shown to be a powerful indicator of organization success in many parts of the world. High-potential talent is in very short supply, and an organization's status and reputation are great ways to attract and retain this talent.

Building Team Effectiveness: This is the demonstrated ability to successfully coach team members and develop competency, build trust and a culture of respect, and learn from the team.

Global leader perform at operational level though multicultural teams. All such teams that are considered high-performance strive to develop a team culture of trust and respect, which is part of the role of a global leader. However, the traditional leadership role is distributed across more people in a global team. In traditional teams, the leader tends to be the hierarchical head of the team, the meeting chairperson, the discussion facilitator, the decision-maker, the discipline enforcer, the direction setter and other roles. Global teams are too complex and dynamic for one person to take on all of these roles. This means that a global leader must be a team member at times as well as the team leader.

CONCLUSION: IT TAKES GLOBAL TALENT TO WIN IN THE HUMAN AGE

Doing business in the Human Age requires operating in a marketplace that is global, no matter where one is headquartered. Senior leadership is pressed to find ways to improve performance and to do so with greater consistency and effectiveness. This means that upcoming and established leaders need to have a broader skill set, one that equips them to think and act globally.

This study was groundbreaking in a number of ways. It included only global leaders, achieved reliable measurements of intercultural competencies, measured the global leadership outcomes to be expected when the competencies were well developed, and predicted these best-practice leadership outcomes from the competencies needed to succeed in intercultural environments. These results provide new insights into global leadership and the impetus for advancing, assessing, training and developing leaders.

The research proves that successful global leaders:

- Enjoy new challenges, strive for innovative solutions to social and situational issues, and learn from a variety of sources.
- Build and maintain trusting relationships.
- Socialize comfortably with new people in unfamiliar social situations and demonstrate genuine interest in other people.
- See through vagueness and uncertainty, do not become frustrated, and figure out how things are done in other cultures.
- Remain calm, not critical of oneself, and learn from mistakes.
- Demonstrate respect for the political and spiritual beliefs of people of other cultures.

Predictive Model of Global Leadership Best Practices	
Intercultural Competencies	**Leadership Best Practices**
• Adapting Socially	• Global Networking
• Demonstrating Creativity	• Driving Performance
• Even Disposition	• Building Team Effectiveness
• Respecting Beliefs	
• Instilling Trust	
• Navigating Ambiguity	

When all six of the global leadership competencies are present and well developed, leaders can be expected to deliver on three key best-practice outcomes: global networking, driving performance and building team effectiveness, as outlined in the above (see inset).

The research reinforces that leading across cultures is complex and ambiguous. The insights gained from this research can be used to inform the talent strategies of multinational organizations as well as development initiatives applied to global leaders to ensure that investments made in this area are focused on developing the competencies most likely to help the individual to be successful when leading across cultures.

How Can Multinational Organizations Develop Leaders to Succeed Globally in the Human Age?

A global leader needs to delegate and empower local leaders with clear responsibilities and goals. According to Qiang Lu, General Manager of Right Management in China, sometimes expatriate executives have concerns with the capacity of local people in China. But the best way to grow this local bench strength is to delegate to Chinese leaders along with coaching them for development rather than retaining too tight internal and centralized control. Multinational companies can help their global leaders to do this by:

- Providing training to develop leadership coaching skills to support the development of subordinates.
- Developing an action-learning plan with a systematic approach to advance development in others.
- Putting the development of local leaders into key performance indicators.

In the Human Age, business productivity and innovation hinge upon an organization's ability to build a talent strategy that focuses on leadership, coaching and development to unleash human potential…humans and their potential being the last source of competitive advantage. Move these challenges to the global arena, and leadership success becomes increasingly complex and ambiguous.

A Human Age leader must leverage technology as an enabler and with a human approach not only be aware of the changing world of work, but be ready to quickly curate relevant information, understand the implications, adapt and share insight accordingly in a way that empowers his/her people.

The Human Age leader has the responsibility and opportunity to unleash the potential of all employees who work for him or her. To effectively unleash this passion and accelerate business success, leaders need new and different skills. The Human Age workforce is increasingly diverse from almost every perspective: geographic, cultural, contingent, virtual and generational. Developing new and innovative ways of nurturing talent will require contemporary talent management that accounts for all of these diversities, varying expectations, motivations, training and development needs, as well as cultural norms.

Based on more than 30 years of experience in aligning talent strategy with business strategy, Right Management and Tucker International suggest that talent managers consider the following applications of this research for selecting, developing and retaining leaders who are required to succeed in a global business environment.

Select Overseas Managers

Use these findings to ensure that the right leaders are selected to assume and succeed in international or global roles.

- Assess their abilities against the six competencies needed for effective global leadership.
- Identify competency gaps and risks associated with job performance.
- Create personalized development plans to foster growth and build strength.
- Evaluate competency strength against desired outcomes.

Grow International Leadership Bench Strength

Apply the learnings from this research to systematically grow leadership talent pipelines around the world to ensure a strong pool of qualified leaders ready for deployment into global roles.

- Continually identify, develop, nurture and retain leaders as part of an ongoing talent development strategy.
- Provide coaching to accelerate development in targeted and individualized ways, building on from the learnings garnered from assessing against the six competencies required for global leadership success.
- Place high-potential leaders in stretch assignments and in short-term cross-border placements to build proficiency in intercultural competencies.

Ensure Success of Leaders in New International Roles

Even though a leader may have proven successful in one country, this is no guarantee that he or she will succeed in another. Once the decision about a leader has been made, be sure to put steps in place to aid success in the short and long term. The cost associated with deploying the wrong leader into a global role is very high.

- Together, develop an action plan for the first 90 days in the new role to ensure alignment with priorities and goals.
- Assign a coach for personalized and specific development.
- Meet for regular reviews of goal achievement against plan and adapt for change as necessary.

Localize Country Management Teams

Many global companies are now focusing on developing their own local talent as part of building their overall leadership bench strength. These local leaders may take on overseas assignments themselves one day. Relying on expats and foreign assignees is costly and unsustainable for many organizations in the long term.

- Build accelerated leadership development programs that are customized for the top two to three levels of management to ensure a robust pipeline.
- Conduct competency assessments and identify skills gaps.
- Create customized leader plans specific to development needs.
- Support with coaching to accelerate targeted development.

Measure Success

According to research by Tucker International, there are six measurable items that define the success of intercultural adjustment:

1 Acceptance: Those who accept the culture of the country of assignment show respect for local customs and behavior patterns. They do not criticize or make light of the culture, but accept it as different from their own but entirely natural for local people.

2 Knowledge: Successful international assignees are genuinely interested in their country of assignment. They learn historical and contemporary information about the country and are able to engage in conversation with local people about subjects that are of interest to them.

3 Affect: Successful intercultural adjustment leads to very positive feelings of well-being. These feelings in turn are associated with a positive self-concept and positive attitudes about the country and its people.

4 Lifestyle: International assignees who adjust well lead a very active and rewarding lifestyle. They are able to do some of the things that they enjoyed back home as well as engage in activities that are unique to their country of assignment.

5 Interaction: Successful adjusters engage themselves in the country of assignment, which means that they choose to be with local nationals not only on the job, but during their discretionary time as well. They make local friendships that replace those left back home and that help support their new lifestyle.

6 Communication: Intercultural adjustment is closely associated with intercultural communication. This means learning the language as well as time, business and other constraints allow. It also means learning the nonverbal communication system of the local culture and using that system to demonstrate respect and understanding.

These six measures of success for intercultural adjustment on developmental assignments are best achieved through initial intercultural competency, assessment and modeling, then intercultural training and coaching. This enhanced adjustment on assignment leads, in turn, to high levels of global learning.

Endnotes

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About Right Management and Tucker International

Right Management is a global leader in talent and career management workforce solutions within ManpowerGroup. The firm designs and delivers solutions to align talent strategy with business strategy. Expertise spans Talent Assessment, Leader Development, Organizational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes— including more than 80% of the Fortune 500—to help grow and engage their talent, increase productivity and optimize business performance.

Tucker International is a full-service international human resource development company. Tucker conducts major global research projects on the measurement and prediction of intercultural adjustment and international job performance. Its validated assessment instruments are used to screen, select and develop international personnel and their families. Tucker provides highly customized services and products to a select group of global organizations. The company enjoys a global reach, delivering services in many countries around the world to help organizations ensure the success of their global leaders and their expatriate personnel and families. Tucker's intercultural assessment, training and development programs, supported by its own research efforts, have enjoyed success for over 40 years.

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