



LEADING IN A WORLDWIDE MARKET

A study by Dr. Steven Rumery
Leadership Research Institute

This study was produced in conjunction with



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The Marshall Goldsmith Group

In a groundbreaking study of managers in global leadership roles and the people who develop them, nearly 2,000 professionals provided insights into what global leaders need to know and how training and development professionals can maximize the impact of global leadership programs. In particular, results suggest that a number of critical skills and attributes are required of global leaders. In addition, the successful development of global leaders requires organizations to genuinely value the development of global leaders and for development programs to be intensive and highly tailored to individual leaders.

About the Survey

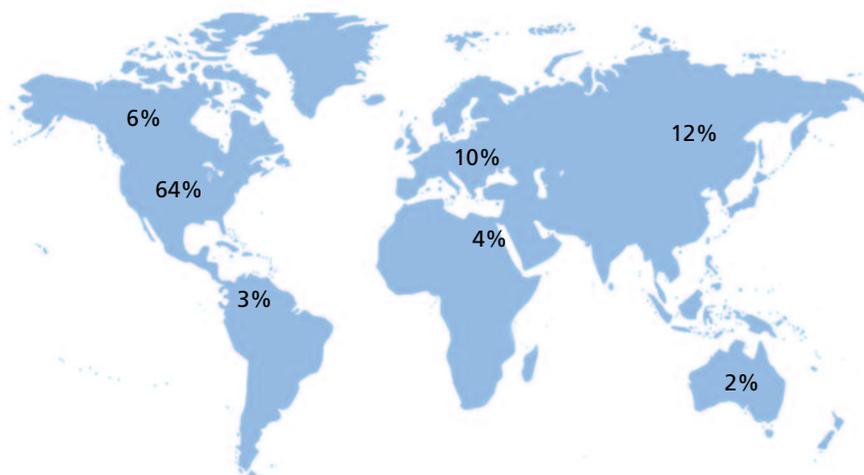
A representative sample of 1,985 managers and training professionals completed an online survey regarding the selection and development of managers who have global leadership responsibilities. Survey respondents are members and clients of professional organizations including American Management Association (AMA), American Society for Training & Development (ASTD), FranklinCovey®, The Ken Blanchard Companies, and Marshall Goldsmith.

The sample contained a diverse group of cross-functional managers, including training and development professionals:

- 26% are managers who lead globally
- 40% are coaches, mentors, or trainers of global leaders
- 62% are from global or multinational companies
- 53% are from organizations with at least 1,000 employees
- 50% are in corporate roles, 20% in plant or office roles, 17% in division roles and 13% in region roles

The sample also represents a number of geographical regions.

Percentages of Survey Respondents from Each Geographical Region



Leading in a Worldwide Market

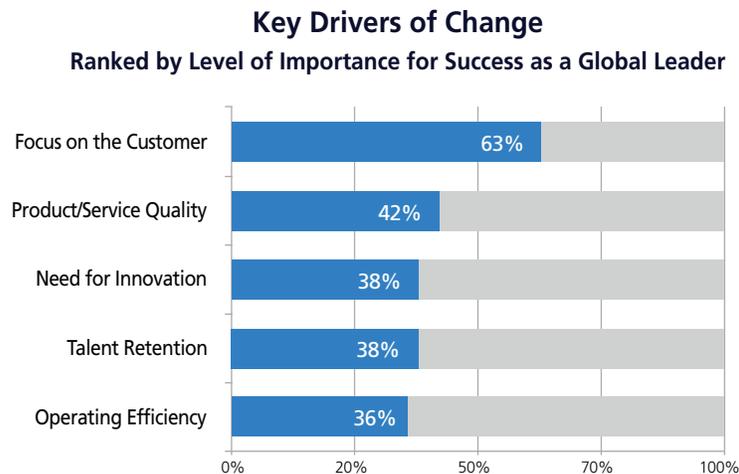
Today's borderless world provides extraordinary opportunities, but it also presents a rather daunting landscape within which today's organizations must operate. Technology, globalization, demographic shifts, and political instability are only a few of the factors at play in this complex operating scenario. Today's training and development professionals must navigate this as they look to identify top talent to cultivate, fill their leadership pipeline, and arm their organization with the most highly qualified individuals over the next 5 to 10 years.

So how are the best and brightest global leaders identified and developed? This very question was posed to nearly 2,000 managers and training professionals around the world. Their insights are shared here. We begin with their thoughts on what challenges leaders face in a global environment.

Successful Global Leaders Address Critical Drivers of Change

When people in the current study were asked to “rank the drivers of change that need to be addressed by global leaders to be successful,” the results showed that the most critical drivers focused on the customer including ensuring quality products and services, driving innovation, retaining the best people, and running business efficiently.

In addition, the results for the top drivers of change were consistent across industries, different size organizations, regions, and whether or not the survey respondent was in a global leadership role or someone who coaches and develops global leaders.



Note: Percentages represent the number of survey respondents who rated “critical” on each driver of change.

None of these drivers is particularly surprising. The idea that global leaders should focus on customers (and the factors that drive customer satisfaction and retention) is not unique to managers who lead globally. However, the challenge to global leaders in addressing these common and critical business drivers is that they must do so within a constantly shifting global context. Thus, the fundamentals of leading globally are the same as for leaders in general, but the challenges can be much more difficult within the context of their global roles.

The Complexities for Leaders Who Manage Globally

Many survey respondents highlighted the complexities of managing globally. Some of the consistent themes included:

Managing a Patchwork of People. To lead effectively within a global context, managers need to understand and influence a complex patchwork of people. Each customer, employee, and vendor is uniquely characterized by a host of attributes and past experiences, including ethnicity, language, religion, and social norms. All of these stakeholders weave together into a vibrant patchwork of people with a number of unique attributes and experiences that must be understood and appreciated.

Distributed Team Members. Teams in global organizations are often comprised of people located in different geographic areas and in various time zones. The challenges to global leaders are three-fold:

1. **Keeping communication channels open and clear.** This is an especially huge challenge with virtual teams where face-to-face communication is limited.
2. **Maintaining a clear understanding of the roles and responsibilities of team members.** Remote team members often struggle to collaborate over time because of a lack of clarity about who is responsible for what. To be successful, there has to be a genuine sensitivity to team members' varying schedules, opinions, and personal interests.
3. **Providing team members the right levels of leadership support and guidance.** It is hard for global leaders to exercise the complete range of leadership behaviors necessary to organize and influence their people over time. For example, it is hard for global leaders to be directive or to lend a hand to a direct report when direct reports are not in the same office or time zone.

Change Is Constant. If it isn't hard enough for global leaders to try to manage this patchwork of people, the global marketplace itself is in a constant state of change. Global leaders must have a firm grasp on the business and its products, while having the business acumen necessary to perform in a game with rules that are constantly changing.

Considering all of these challenges and the need for leaders to continuously adapt and evolve, we turn now to survey respondents' views of what skills and attributes are necessary for global leaders to be successful.

Attributes, Behaviors, and Skills to Address the Drivers of Change

- When survey respondents were asked to choose the one skill that is critical to determining the best succession candidate for a global leadership role, they chose—by a large margin—leadership behaviors, followed by international experience and dealing with ambiguity. The lesson here—leadership matters.
- In a follow-up question, survey respondents were asked to pick the most important attributes when examining candidates for a global leadership role. The most important attributes continued to highlight leadership. The behaviors included superior communication, the ability to develop a business strategy, foster innovation and creativity, develop their people, and drive for results.



Allocating Resources for Leadership Development

- Another follow-up question also highlighted the importance of leadership skills. When survey respondents were asked to choose the top subject areas to allocate money and resources for the development of global leaders, the most selected subject areas related to cultural awareness, coaching, emotional intelligence, fostering innovation and leading remotely.

The importance of leadership skills and attributes when selecting and developing global leaders that is evident in the survey results is underscored by the recommendations provided by numerous respondents regarding the competencies they consider most critical for evaluating global leaders. The most prominent are described in the table below titled “Critical Competencies for Assessing Global Leaders and Managers.”

| CRITICAL COMPETENCIES FOR ASSESSING GLOBAL LEADERS AND MANAGERS | | |
|---|--|--|
| Critical Competencies | Definitions | Participant Feedback |
| Openness to Experience | Global leadership demands people who are open to new experiences, being both willing and able to immerse themselves in new and varied experiences. This requires the ability to adapt and deal with ambiguity. | <p>“Dealing with cultural differences to innovate effectively in global work teams/diverse work groups.” —Europe</p> <p>“Openness to learning and adaptability to changing times.” —Asia</p> |
| Knowledge of the Culture and Language | Global leaders need a deep understanding of the regions they are managing, including local culture, languages, politics, and business practices. | <p>“Learning the culture and how it affects business thinking. Also, language skills, at least minimal skills.” —United States</p> <p>“Learn about the national and local culture. Learn which leadership competencies are most important in the cultural context.” —United States</p> |
| Business Acumen | Credibility cannot be achieved without the leader establishing himself/herself as an expert in the products/services being sold and how the business operates. | <p>“Cultural business etiquette, product knowledge, industry knowledge, business acumen.” —United States</p> <p>“Product and domain knowledge are paramount.” —United States</p> |
| Leadership Behavior | Global leaders need to be able to influence and inspire people. This includes not only being persuasive, but also being a good listener, understanding what motivates people, and acting with integrity. | <p>“Being authentic and realistic leaders.” —Canada</p> <p>“Walking the talk inspiring both young generation and very experienced employees.” —Europe</p> |
| Drive for Results | Global leaders are results-driven. They steadfastly push to get things done. While it is crucial for them to focus on achieving results, the challenge will be in balancing short-term and long-term goals. | <p>“Identify and invest in flexible individuals who are able to deliver results and motivate a team.” —United States</p> <p>“Focus on results and the big picture.” —United States</p> <p>“Manage the need to produce results long-term vs. short-term.” —United States</p> |
| Coaching and Mentoring | Global leaders must coach their team members to achieve their full potential and to prepare them for their future roles and challenges. | <p>“When hiring leaders internationally, these leaders should also participate as mentors and coaches as well, so new leaders within the organization can learn from them.” —United States</p> |
| Emotional Intelligence | Global leaders must possess a high degree of emotional intelligence, demonstrating empathy and an understanding of their followers and customers from different cultures. In order to accomplish this, it is important to manage their own emotions. In general, a global leader must possess exceptional people skills. | <p>“Know and understand those that follow you. To ‘read’ about it isn’t enough. Global leaders must be able to empathize with various generations/cultures.” —United States</p> <p>“Emotional Intelligence—self-awareness leads to social awareness. If you don’t have it you will struggle in a global leadership position.” —United States</p> |

| CRITICAL COMPETENCIES FOR ASSESSING GLOBAL LEADERS AND MANAGERS (continued) | | |
|---|---|--|
| Critical Competencies | Definitions | Participant Feedback |
| Communication Skills | Communication skills, both written and verbal, are critical in the management of global teams. Global leaders must be able to communicate effectively to navigate the challenges of geographically dispersed teams and clients. | <p><i>“Most people that I’ve worked with in management roles lack in communication. They often come up with great ideas and plans but those plans will often miss the target due to poor/lack of communication.”</i> —United States</p> <p><i>“In remote teams, establish consistent communication vehicles.”</i> —United States</p> |
| Setting Clear Goals and Providing Feedback | Global leaders need to communicate the goals, vision, and strategy to team members. It is critical to set clear priorities and provide continuous feedback and support so that these expectations will be met. | <p><i>“Set your vision and strategy within the first 3–5 months. Get clear on priorities and milestones...and communicate them to the appropriate target audiences.”</i> —United States</p> <p><i>“Provide ongoing coaching and feedback.”</i> —United States</p> |
| Innovation and Creativity | When developing business strategies and dealing with obstacles, global leaders need to develop innovative, creative solutions. This requires critical thinking and the ability to develop and maintain a team culture that fosters creativity and innovation. | <p><i>“Foster innovation and allow for mistakes to achieve innovation.”</i> —Europe</p> <p><i>“Managing change and fostering creativity.”</i> —Asia</p> |
| Commitment to Self-Improvement | Effective leaders must be open to feedback from others and proactively identify areas for self-improvement. They must possess a deep understanding of their own abilities to capitalize on their strengths and address their areas of weakness. | <p><i>“Understand their own strengths and liabilities to enhance strengths and overcome liabilities.”</i> —United States</p> <p><i>“Rationally assess his or her own abilities and target areas most likely to derail a new global leader.”</i> —United States</p> |

So, what can organizations do to develop these competencies that are required of global leaders to focus on the drivers of change?

Organizations Need to Support the Development of Global Leaders

Survey respondents clearly stated that a fundamental success factor for the development of global leaders is that genuine support needs to exist throughout the organization. Only then will the conditions be right for building a strong bench of global leaders.

Senior management needs to value the development of global leaders. The development of global leaders requires the full backing of the organization’s senior leadership. Global leader identification and development must be a central strategy of the organization, receiving the attention and resources required to succeed. It should not be written off simply as a function of the human resources department.

The culture needs to value diversity. Organizations with cultures that truly value diversity are best equipped to develop global leaders. By diversity, survey respondents meant going beyond the critical step of building a diverse talent pool from which to draw potential global leaders. What is just as critical is building and maintaining a culture that values unique and diverse ideas and perspectives.

Clear goals need to be set regarding the development of global managers and leaders. The organization must have clearly stated, consistent goals from its senior leadership regarding the development of global leaders. These goals should clearly identify the skills and attributes that are valued in global leaders and they should emphasize an appreciation of cultural and leadership differences. As one survey respondent in Asia suggests, “*Make a very clear explanation/definition of what needs to be developed.*”

The organization needs to build a pipeline of global leaders. This, of course, is much easier said than done. An organization must identify the appropriate skills and behaviors and then work to accurately assess and develop them.

“Leaders should be able to think globally but be seen as acting locally in each market.”

— Africa/Middle East

Another respondent in Asia remarks, “*A lot more emphasis should be made on people development and building the talent/succession pipeline. To do this, it would be better to equip our current pool of global leaders with the skills on being talent managers.*”

Allocate the resources to support strong communication.

The success of global leaders and the teams they lead relies upon rich communication. The organization must focus on developing communication as well as making the necessary investments in the technology needed to support communication and social connectedness. This is particularly true for virtual teams and leaders working remotely.

Think globally, act locally. Organizational goals and initiatives need to be translated into the local culture to facilitate understanding and engagement.

The organization must be sensitive to local needs and values while maintaining its global vision and strategy. As one respondent from Canada puts it, “*Appreciate the necessary local differences and celebrate those, but be clear on the global value structure of your organization and orient/train leaders towards those values. It is a balance between recognizing local differences in value structures but being absolutely crystal clear on what are the organizational ethics.*”

Given that the skills and attributes required of global leaders can be quite varied, coupled with the challenges of having the right conditions in the organization to support the development of global leaders, why don't organizations just hire the talent?

“Align global leadership development to the strategy of the organization. Make this a boardroom conversation and not delegate this only to HR. Identify future capabilities and create blended multifaceted learning experiences...focus on action learning and coaching.”

— Asia

Hiring Externally or Developing Internally?

Organizations can hire global talent, but the supply can be limited.

Given the significant difficulties in developing global leaders, it would seem that hiring effective global leaders would be the most straightforward solution. However, it is difficult to find leaders who are “ready now” to manage global businesses given the combinations of factors that are critical to the global leader’s role.

In fact, when survey respondents were asked what the best strategy will be in the next five years for building a stronger bench of global leaders, only 20% responded that hiring is the way to go. A resounding 80% of respondents indicated that developing leaders internally is the best strategy.

When companies must hire, where can they find the best recruits for global leadership roles? As expected, most survey respondents indicated they would start first within their own region. However, the supply of “local” talent to fill global roles can be quite limited. Organizations often must hire talent outside of their region.

In the chart below, the top three talent pools indicated by survey respondents are listed for each region. Besides indicating that the most common source of talent is the local region, the chart also indicates that the second most popular source of global leader talent is North America. This chart suggests that the demand for North American leaders to take global roles is high, which could lead to shrinking supplies of qualified talent in that region.

Top Ranked Global Talent Pools by Region



Given the supply of “ready now” global managers, organizations may be much better served by identifying and developing their own global leadership talent internally. As noted earlier, only 20% of survey respondents thought hiring global leaders was the way to go; the other 80% thought developing leaders internally was the best strategy. So if organizations choose to develop their global leadership talent, what is the best learning and development strategy?

The Development of Global Leaders Has to Be Intensive and Highly Tailored to Each Individual

Survey respondents provided some very clear recommendations for how global leaders should be developed. Their recommendations include:

Take a highly-tailored approach to development. Given the breadth of skills and competencies that global leaders must have, there is no “one size fits all” approach to developing global leaders. Training and development should be tailored to the individual, utilizing a multilayered, blended approach. As one leader from the United States remarks, “...blend f2f learning with other leaders, coaching, peer learning, and accountability for application on the job—no one technique works alone.”

Provide early exposure. Enough cannot be said about the importance of exposing employees to other cultures during the formative years of their leadership careers. Many of the skills required for global leadership are built and reinforced when an employee is assigned to a foreign territory, where he or she can be immersed into a different culture that requires working with team members and customers from diverse backgrounds. As one respondent in the United States recommends, “Provide as much exposure to other cultures as possible. Provide ongoing training on change and innovation. Provide work experiences outside the home country.”

Integrate coaching into more traditional development programs. Aside from exposure to different cultures, coaching by experienced mentors who are familiar with the cultural context of a leader’s role is critical for enhancing the development of global leaders. For example, when asked how important coaching is to the development of global leaders, 54% of survey respondents ranked coaching to be critical for developing global leaders compared to 40% for developing all employees.

As a survey respondent from the United States points out, “While all leaders of an organization need to align their behaviors with the company’s culture and values, they still must do so in a manner that is consistent with their own personal values, integrity, and style. Executive coaching has proven to be the most impactful way to do this—honor the individual, leverage strengths that the business values, and close gaps that create issues. The right coach can make a significant difference.”

Recommendations for Improving Global Leader Effectiveness

The managers and training professionals in the current survey provide a number of suggestions regarding what global leaders need to learn and how to develop these areas with the greatest impact. The tables on the following two pages highlights the key suggestions.

| RECOMMENDATIONS FOR BOOSTING THE EFFECTIVENESS OF GLOBAL LEADERS | | |
|--|--|---|
| Recommendations | Benefits | Actions |
| Value the Development of Global Leaders | Creates an environment that supports the identification and development of global leadership talent. | <ul style="list-style-type: none"> ■ Value the development of global leadership; embed it into the organization's strategy, not just HR's. ■ Set clear organizational goals for the development of global leaders. ■ Value diversity by strengthening the organization's culture to respect differences and to be open to different perspectives. ■ Identify metrics to monitor the health of global leadership pipeline. ■ Invest in the technology to enhance the connectivity of virtual team members. ■ "Think globally, act locally" by involving managers at all levels in the translation of organizational goals and initiatives into the local culture to facilitate understanding. |
| Assess and Develop Core Global Leadership Competencies | Focuses the development of global leaders on a broad range of critical skills. | <ul style="list-style-type: none"> ■ Assess being open-minded and adaptable; identify individuals who can recognize when cultural context is a factor (i.e., when norms and values may be changing or different) and who can be adaptable while maintaining core values. ■ Assess leaders on emotional intelligence. Identify leaders who have strong interpersonal skills and who can build strong relationships with a diverse set of stakeholders. ■ Assess analytical and critical-thinking abilities. Identify leaders who think creatively about problems and who can leverage the ideas of others to enhance "out of the box" thinking. ■ Assess and identify leaders who think strategically and who inspire a variety of different stakeholders with their vision of the business. ■ Identify lower level leaders who demonstrate strong leadership qualities when working with peers in distributed or remote teams. ■ Build measures of global leadership into all organizational assessments, such as multi-rater 360 assessments and engagement and culture surveys. |

(continued on next page)

| RECOMMENDATIONS FOR BOOSTING THE EFFECTIVENESS OF GLOBAL LEADERS | | |
|--|---|---|
| Recommendations | Benefits | Actions |
| <p>Take a Blended, Tailored Approach to Global Leadership Development</p> | <p>Ensures that key concepts and skills are being reinforced through multiple, tailored and highly enriching experiences.</p> | <ul style="list-style-type: none"> ■ During the formative years of a leader’s career, expose employees to other cultures through international assignments and participation on global teams. ■ Tailor training and development to the individual. For example, create a highly individualized development plan for leaders that takes into account the global context of their individual roles. ■ Improve the availability of and access to cross-training and job rotation programs. ■ Embed mentoring and coaching in more traditional in-person or online training programs. ■ When possible, link the development of global leadership skills to other organizational initiatives such as diversity and inclusion, employee engagement and culture surveys, and green or other global sustainability and social justice initiatives. |

In Closing

The current survey of leading in the global marketplace provides some unique insights from nearly 2,000 global leaders and training and development professionals. The results indicate that the challenges facing global leaders can be quite complex given the cultural context of their roles. To be successful, global leaders must be strong on a number of leadership competencies, including being open-minded and adaptable, strong on emotional intelligence, and highly collaborative on dispersed teams. Given the unique and varied challenges of individual leadership roles, survey respondents recommend a highly tailored, blended approach to developing global leaders.

About the Author

Dr. Steven Rumery is a Principal with Leadership Research Institute who specializes in developing the credibility and impact of leaders and organizations through executive coaching, research, and consulting. Dr. Rumery has experience working with Fortune 500 companies across industries, including banking, investment management, private equity, pharmaceutical and mass media. He can be contacted at steve.rumery@lri.com

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