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# Addressing the organizational barriers to developing global leadership talent



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## WHY IT IS IMPORTANT TO ESTABLISH A “GLOBAL LEADERSHIP” TALENT POOL

To understand why it is necessary to establish a unique pool of leadership talent as “global,” we need to look at the roles and demands of this population of leaders. At its simplest, the term “global leader” applies to individuals who lead across geographic and cultural boundaries. The size of this population should range from one to four percent of the overall leadership talent pool depending upon the industry and the scope of international operations. If a significant portion of their role demands working with other cultures, leaders could be based in their corporation’s home country and still qualify as global leaders. These individuals can be found at the front line of an organization or at the very top. That said, the ultimate destination for high potential global leaders is general management over a region of the world or, more rarely, the entire globe. They may have global responsibility for a business or functional activity or multi-business lines. What differentiates these leaders from others is the fact that their roles take them across national and cultural borders. They end up leading individuals and teams who reside outside the home country of their corporation.

The successful global leader is a unique breed of “line leader.” Their roles demand that they possess a broader variety of competencies, skills, and abilities in order to succeed than their domestic counterparts. To make matters more complicated, the knowledge and expertise cultivated

in one international role does not necessarily transfer to the next assignment. As a result, these leaders have to be perpetually engaged in the process of making sense of ambiguous new situations as well as learning their way through unexpected challenges. This requires that they be open to new ideas, behaviors, and ways of thinking and in turn make the necessary mental and behavioral adjustments to suit each country’s context. They often have to be masters of reinvention.

In contrast to line managers who stay within the confines of their home country, global leaders face deeper challenges to their personal identity. As one group of researchers has pointed out, new cultures force individuals to bring into question basic assumptions about who they are. A global leadership assignment can literally demand a transformation in how individuals see themselves. The term “culture shock” is often used to describe the power of the experience. The process of developing such special talent requires that organizations “call out” the baseline capabilities required for global leadership roles.

Most organizations need only a small pool of global leaders. As a matter of fact, the trend over the last two decades has been to develop “local” or home country leaders rather than rely on expatriate talent. There are several reasons for this. The first is the sheer cost of deploying expatriate leaders. It is estimated that expatriation costs three or more times a similar employee’s salary in their home country. In addition, the learning curve is much steeper for expatriates. Executives typically report that a minimum of three or more months is required to begin to understand how the economics, politics, history and culture of a country affect business decisions. Two years or more of in-country immersion may be necessary to lead with a measure of confidence.

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Finally, there is the issue of trust—a foundation for effective leadership. In many countries, employees simply trust leaders from their home country more than those from the outside. One study in Western Europe showed that individuals trust citizens from their own country twice as much as those from neighboring countries. They place even less trust in those farther away. For these reasons, the pool of truly global leaders required by an organization is likely to be a small one. Nonetheless, there is a high likelihood that the vast majority of organizations' talent pools are currently too small to produce even the limited number of these leaders that the corporation will require.

## THE ORGANIZATIONAL BARRIERS TO DEVELOPING GLOBAL LEADERSHIP TALENT

Given the importance of having a pool of global leadership talent, the number of companies that give it a low priority is surprising. It is often assumed that talented, high performing individuals can quickly learn and address contextual challenges no matter where they are deployed. Often times, the executive team making decisions about the placement of global talent are themselves lacking in sufficient international experience and therefore have little genuine appreciation for its value.

Perhaps the most significant barrier, however, is the fact that there is little value or reward placed on global mobility. For example, to succeed over one's leadership career in a corporation, there may be no requirements for international assignments. Few of an organization's executives may have spent time working in global assignments. Line managers may actually feel that they will be penalized for taking international assignments. They see their colleagues who move overseas lose critical visibility and influence with decision-makers at the corporate center. These expatriate colleagues may be bypassed for promotions. It is therefore seen as too risky for career advancement to take on an international assignment. The other side of the mobility equation is that senior managers often hoard their best talent. In other words, they will not offer high potentials up for international assignments for fear of losing the most talented or because they see little development value in such experiences.

An additional barrier can be found with the leadership talent itself. Deciding to be a global leader involves the headaches of expatriation. This can be seen as a major factor for leaders who have deep family and cultural roots in their home country. Much of the research literature highlights the extreme emotional demands placed on the global leader's family. Though there may be many leaders who have the potential to be good global leaders, the number of individuals who are willing to take up the challenges and responsibilities of being a global leader is relatively low.

While the importance of global leaders may be touted by organizations, companies consistently fail to integrate the concept into their organizational talent management systems. For example, many firms have not identified a baseline set of global leadership competencies. Other organizations have a set of global competencies, but they are strikingly similar to their home country leadership competencies and so fail to make any real distinctions. More significantly, few companies have performance management systems that are effectively integrated with the

global leadership competencies. For example, a manager in one country may not be held accountable for demonstrating the global leadership capabilities. Many firms lack rigorous assessment processes to identify and track their global leadership talent below the executive ranks.

While there may be a desire to develop global talent through job assignments, the systems to identify and deploy candidates are weak or flawed. For example, the critical step of assessing what in-country leadership roles will be reserved solely as developmental assignments for global leadership talent and what roles will be reserved for local talent is often inconsistently performed. Finally, repatriation can be a serious problem if the organization does not have a disciplined approach supported by an effective system of monitoring time abroad.

## BUILDING THE TALENT MANAGEMENT INFRASTRUCTURE FOR A GLOBAL LEADERSHIP POOL

The first step required for establishing a global leadership talent pool is to build a persuasive case for why the corporation needs one. The case must be made at the executive level. The chief human resources officer should serve as the primary champion and spokesperson in persuading both the executive team and the board. The case can be built by illustrating the critical gaps in the talent management approaches in comparison to the "best-in-practice" organizations.

An overall assessment of the international experience of the top three or four levels of leadership talent will reveal the extent to which global assignments are considered valuable and provide some indication of the mobility of those with global experience. An examination of the succession pipeline behind pivotal global leadership roles will highlight the severity of gaps and the depth of global assignments that candidates possess. Finally, case examples of general managers and executives who have performed poorly because of flawed selection criteria or a lack of developmental support can further be used to build the case for more rigorous approaches to talent management.

It is important to establish a distinct global leadership capability framework. This framework should recognize the baseline requirements for leading globally as well as the unique demands of the organization, its culture, and industry. Later in this article, we will discuss what dimensions might be included in such a framework. Only a very few companies have created distinct global leadership frameworks—one of which is Citigroup, which developed a framework for its Global Consumer Group.

Mandatory cross-cultural training before individuals begin their international assignments is a baseline requirement. In addition, seasoned local managers should serve as in-country mentors to ease expatriate leaders into their new role. The local mentor can assist both in promoting relationship ties and in accelerating the knowledge base of the incoming leader. The mentor needs to be an individual who is well established within the host country, possesses a coaching capability, and is not the incoming leader's direct supervisor. Procter & Gamble makes extensive use of in-country mentors to facilitate the successful transition to a new global leadership role. In addition, seasoned executive-level global

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