Preparing Leaders for Global and International Responsibility

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Statistics

• 76% of multinational organizations believe they need to develop global capabilities, but only 7% think they are currently doing it very effectively. *McKinsey Study*

• In the U.S. 30% of firms believe they have failed to effectively exploit international business opportunities because of insufficient internally competent personnel. *McKinsey Study*

• Only 41 percent leaders in multinational companies believe they can lead effectively across countries and cultures. *DDI and CEB Study*
Agenda

• Statistics and the story
• Beyond competencies and cultural frameworks
• The evolving development conversation with clients
• Localization of talent in multinational firms
• Implications for executive development
• Advantages of partnerships in global executive development
• Improving global context in programs
A globally-competent individual has the right attitude, knowledge, skills, and functional business expertise to be effective in a global business environment, working within and across different cultures.
Statistics

• 49% of organizations agree their company struggles to place talent in global leadership positions.

• Only 48% believe the training they are doing is realistic to the challenges found in working on a global scale.

• 49% believe training is effective in building global knowledge in leaders (e.g., cross-cultural and business knowledge).
What attitudes, knowledge, skills, abilities, and behaviors are most important for your leaders to work effectively in a global business environment?

<table>
<thead>
<tr>
<th>Top 10</th>
<th>North America</th>
<th>Asia</th>
<th>Western Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-cultural sensitivity/awareness</td>
<td>56.7%</td>
<td>73.7%</td>
<td>55.8%</td>
</tr>
<tr>
<td>Ethics and integrity</td>
<td>50.4</td>
<td>57.9</td>
<td>55.8</td>
</tr>
<tr>
<td>Communicates effectively</td>
<td>48.8</td>
<td>47.4</td>
<td>53.5</td>
</tr>
<tr>
<td>Leadership, influences others</td>
<td>46.5</td>
<td>47.4</td>
<td>48.8</td>
</tr>
<tr>
<td>Respect for differences</td>
<td>46.5</td>
<td>42.1</td>
<td>46.5</td>
</tr>
<tr>
<td>Strategic thinking</td>
<td>44.9</td>
<td>42.1</td>
<td></td>
</tr>
<tr>
<td>Adaptable in new environments</td>
<td>41.7</td>
<td>42.1</td>
<td>39.5</td>
</tr>
<tr>
<td>Flexibility, willingness to change</td>
<td>37.8</td>
<td>42.1</td>
<td>37.2</td>
</tr>
<tr>
<td>Collaborative</td>
<td>37.8</td>
<td>36.8</td>
<td>37.2</td>
</tr>
<tr>
<td>Decision-making ability</td>
<td>34.7</td>
<td>36.8</td>
<td></td>
</tr>
</tbody>
</table>

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A starting point with competencies

• **Self-awareness**: “I understand my experiences and my biases and I am open to new behavioral and mental choices”.

• **Inquisitiveness**: “I don’t understand it all, but I am curious enough to ask insightful questions”.

• **Inclusiveness**: “I want to include opposing points of view in my decision-making process”.

Example Cross Cultural Framework

**Low / High Context Communication**

- **Direct**
  - I believe in explicit meaning. Clear communication requires explaining yourself in detail.

- **Indirect**
  - I believe in implicit meaning. People should understand what you mean without need to explain every detail.

**Quantity/Quality (Achievement)**

- **Task**
  - I believe goal achievement has priority over quality of life. Being as efficient as possible is a personal goal. Task completion is prerequisite to good personal relationships.

- **Relationship**
  - I believe quality of life has priority over goal achievement. Personal relationships are necessary for task effectiveness.

**Time**

- **Short-term**
  - I believe it is important to do things quickly and on time. Deadlines, plans and schedules should be adhered to.

- **Long-term**
  - I believe things get done eventually. It is better to take your time and not rush things. Deadlines, plans and schedules are targets.
Knowledge beyond competencies and cross-cultural frameworks

- Economic drivers
- Government involvement in business
- Technology standards
- Transactional, administrative differences
- Balancing local vs. home office control
- Legal, regulatory, compliance requirements
- Environmental constraints
- Safety, security risks
What is your organization doing to develop its global leaders?

Of those who rated *Global Competence* as *Very Important* and *Extremely Important* for their business success, what development practices are aimed to build Global Competence in your leaders?

<table>
<thead>
<tr>
<th>Development Practice</th>
<th>Effective / Very Effective</th>
<th>Yes, we offer</th>
<th>We plan to offer in 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>International travel for business</td>
<td>81%</td>
<td>7%</td>
<td>82%</td>
</tr>
<tr>
<td>Encouraging networking with others outside the organization</td>
<td>77%</td>
<td>4%</td>
<td>66%</td>
</tr>
<tr>
<td>Projects with team members from multiple countries</td>
<td>68%</td>
<td>9%</td>
<td>91%</td>
</tr>
<tr>
<td>Assessments</td>
<td>67%</td>
<td>8%</td>
<td>77%</td>
</tr>
<tr>
<td>Guest speakers/seminars</td>
<td>65%</td>
<td>8%</td>
<td>72%</td>
</tr>
<tr>
<td>Knowledge sharing platforms</td>
<td>64%</td>
<td>12%</td>
<td>70%</td>
</tr>
<tr>
<td>Short-term international assignments</td>
<td>58%</td>
<td>9%</td>
<td>85%</td>
</tr>
<tr>
<td>Expatriate assignments</td>
<td>57%</td>
<td>10%</td>
<td>88%</td>
</tr>
<tr>
<td>Stressing the importance of reflection on experiences</td>
<td>53%</td>
<td>7%</td>
<td>66%</td>
</tr>
<tr>
<td>Have employees share their cultural experiences and traditions with others</td>
<td>52%</td>
<td>9%</td>
<td>66%</td>
</tr>
<tr>
<td>Distributing books and articles on the subject</td>
<td>50%</td>
<td>6%</td>
<td>59%</td>
</tr>
<tr>
<td>Formal action learning projects</td>
<td>48%</td>
<td>12%</td>
<td>86%</td>
</tr>
<tr>
<td>Access to a professional coach practitioner</td>
<td>48%</td>
<td>9%</td>
<td>84%</td>
</tr>
<tr>
<td>Formal mentoring</td>
<td>47%</td>
<td>19%</td>
<td>79%</td>
</tr>
</tbody>
</table>

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The Story - development conversations with global clients are evolving

- Organizations are getting smarter - understanding what’s **not** working
- There is no “one size fits all”
- It is not just about competencies
- Experiences don’t **always** convert to *learning, revenue*
- Expatriation is high risk, expensive
- Global firms want **more** ready, localized talent
- Clients want to know if they can develop more leaders faster with technology
- Clients want more *realistic* learning experiences – stronger business strategy connection
Designing global leadership development
Strong trend towards more localization

• Development of local talent is an opportunity for executive development.
  o Competition for competent local talent remains fierce
  o High demand for local talent forces less developed people into critical roles

• Localization creates the need to quickly develop and diversify HIPO talent and leadership teams
  o Firms will need to identify HIPOs sooner - lengthens the development runway

• Alternative assignments have become more prevalent due to changes in the speed and nature of business
Questions for executive development?

• Look broader and deeper for future faculty?
• Work closer with faculty to design more realistic global content?
• Improve our global, regional business acumen to better translate regional needs to learning experiences?
• Anticipate greater diversification of leadership teams?
• Expand our knowledge of experiential solution providers in specific markets / regions?
• Look for collaborative university partnerships outside our borders?
• Rethink 70 – 20 – 10 model for development?
Does the model support the trend of localization, shortage of ready local talent, less expatriation - alternative shorter assignments, rate of change/complexity in global business, the need to learn faster?
Advantages of partnerships

• Support the trend towards localization
• Expand your toolkit for realistic learning experiences that address challenges faced in specific markets
• Establish instant credibility
• Accelerate learning within your executive development team
Improving global context in programs

- Encourage clients to diversify participant rosters
  - Pull internationals deeper into conversations
  - Help us understand regions/countries
  - Facilitate the difficult conversations
- Diversify faculty: experiences, regional knowledge
- Develop faculty – teach abroad, networks
- Macro view - specific about impacts on regions/countries
- Case studies, tools, frameworks require more global context
Takeaways: Opportunities for executive development

- Understand the statistics/trends
- More custom-focused and realistic experiences for specific markets
- Understand differences beyond cultural frameworks
- Improve global business acumen in executive development
- Develop, diversify faculty
- Expand the talent conversation – lengthen the runway
- Leverage partnerships
- Integrate more coaching, mentoring, action learning projects
- Use technology to improve sustainment activity
- Leverage diverse, regional program participants
Questions?

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Appendix
Global Competence

Plan
Our workforce's developmental needs are assessed regularly through strategic workforce planning. (40.3%)

Design
The training forces participants outside of their comfort zone. (60.3%)

- The training is customized to local perspectives specific to key markets. (47.5%)
- The training is realistic to the challenges found in working in a global scale. (48.8%)
- The training encourages reflection on the experience. (65.5%)

Measure
The training is effective in building a global attitudes in leaders (e.g., open, respectful). (60.5%)

- The training is effective in building a global skills in leaders (e.g., adaptability, collaborative). (50.2%)
- The training is effective in building a global knowledge in leaders (e.g., cross-cultural and business knowledge). (49.6%)
- The training is effective in building a global functional expertise in leaders. (39.5%)
- Training efforts are tied to behavioral outcomes that can be successfully measured. (40.7%)

(Percentage Strongly Agree/Agree)
n = 266
UNC Research on Developing Global Competence
Critical Competencies

Of the knowledge, skills, abilities, and behaviors that are critical for your leaders to work effectively in a global business environment, how would you rate your leaders, on average?

<table>
<thead>
<tr>
<th>Competency</th>
<th>Not developed</th>
<th>Underdeveloped</th>
<th>Competent</th>
<th>Very strong</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-cultural sensitivity/awareness</td>
<td>36%</td>
<td>33%</td>
<td>18%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Communicates effectively</td>
<td>25%</td>
<td>51%</td>
<td>20%</td>
<td>4%</td>
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<td>24%</td>
<td>33%</td>
<td>27%</td>
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<td>30%</td>
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